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**DOWNTOWN CONCORD
STUDY AREA
MARKET ANALYSIS**

**PREPARED FOR
CONCORD REDEVELOPMENT AGENCY**

DECEMBER 1983

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INTRODUCTION

The Concord Redevelopment Agency is currently operating under the guidelines set forth in the 1976 Concord Central Area Plan prepared by Hall and Goodhue. Much has changed since this Central Area Plan was produced, and Concord has surpassed the slow growth rate anticipated for the 1970s. In early 1983, the Bank of America concluded its negotiations with the Concord Redevelopment Agency to develop a one million square foot complex in Downtown Concord. This project, located in an older residential and commercial area near the Central Concord BART station, has stimulated intense interest in both the real estate and corporate communities. The numerous new development proposals has necessitated that the Redevelopment Agency plan for the redevelopment of this area in a comprehensive manner, and to re-examine the assumptions set forth in the 1976 Central Area Plan. To prepare this new Redevelopment Plan, which is referred to as "The Downtown Study," the Agency has retained three consulting firms. Economics Research Associates is serving as the market economist; and the firms of ELS, urban planners and designers, and JHK Associates, traffic engineers, are cooperating with ERA.

This economics and market report prepared by ERA during the summer and fall of 1983 is intended to ensure that the planning alternatives considered are realistic in the context of land development economics. The study area in question covers approximately 30 blocks and is roughly bounded by Pacheco Street to the north, Port Chicago Highway and the BART line to the east, and Galindo Street and Mira Vista Terrace to the south and west. The report focuses on office development because the new office employees will generate housing and retail demand. Due to the anticipated shifts of major office users from San Francisco, the office market analysis is regional rather than local in perspective. In addition to estimating office space demand in Downtown Concord, the report also evaluates retail development potential and multi-family residential potential.

This report was prepared under the technical and administrative supervision of William W. Lee, ERA Vice President. Evelyn Hausske, ERA Associate provided the research and assisted with the analysis. The intercept surveys in Oakland and Walnut Creek were performed by Survey Research Associates.

Section I
EXECUTIVE SUMMARY

OFFICE DEMAND

Central Contra Costa County, defined as the communities of Concord, Walnut Creek and Pleasant Hill, is expected to gain an increasing share of the total San Francisco/East Bay regional office market over the next 10 to 15 years. Since 1977, the Central County area absorbed an average of around 580,000 square feet of new office space annually, representing approximately 17 percent of the total regional office space demand. ERA projects Central County's average annual office demand will increase to an estimated 0.9 to 1.26 million square feet over the next 15 years. In total, the office space demand for Central County between 1983 and 1997 is projected to reach approximately 16 million square feet, representing around 24 percent of the San Francisco/East Bay regional total. Within the San Francisco/Oakland SMSA, this office market is second in strength only to San Francisco.

ERA has projected office demand for these three cities over the next 15 years to be as follows:

Concord - 6.2 million square feet;
Walnut Creek - 7.6 million square feet; and
Pleasant Hill - 2.4 million square feet.

On an annual basis, demand for these three communities is projected as follows:

Concord - 360,000 to 480,000 square feet;
Walnut Creek - 440,000 to 580,000 square feet; and
Pleasant Hill - 120,000 to 200,000 square feet.

Within the Downtown Study Area, ERA projects an average annual office space absorption of 280,000 square feet between 1983 and 1987; 260,000 square feet between 1988 and 1992; and 230,000 square feet between 1993 and 1999. Excluding the Bank of America project the average annual office demand for this Study Area is projected at 97,000 square feet from 1983 to 1987; 170,000 square feet from 1988 to 1992; and 216,000 square feet from 1993 to 1997. Including the Bank of America, the Study Area can expect 3.4 million square feet of office development over the next 15 years. Decisions by other major institutions to locate major facilities in Downtown Concord could drive this number even higher.

Survey of Existing Office Developments in Central Contra Costa County

ERA surveyed 21 major existing office developments of 40,000 square feet or more in Central Contra Costa County; ten in Walnut Creek, eight in Concord and three in Pleasant Hill. The key findings of the surveys are provided below:

- o Average Lease Rates (per square foot fully serviced):

- Walnut Creek - \$1.60 to \$2.35;

- Pleasant Hill - \$1.60 to \$1.65; and

- Concord - \$1.35 to \$1.50.

Current office rates in Concord appear lower since there have been no recent office projects built in the City since 1981.

- o Tenant Improvements Allowance:

- Range - \$12 to \$16 per square foot;

- Average - \$15 per square foot;

- o Parking Allotment:

- Average - four stalls per 1,000 square feet of gross leasable office space.

o Tenant Mix:

Recent influx of large office space users. Primarily large firms and corporations with national or regional affiliation.

o Vacancy Rate:

By the end of 1982, approximately 710,000 square feet of office space in existing projects was available for lease in Central County, representing a vacancy rate of around 13.7 percent. Nearly two-thirds of this vacant space totaling 475,000 square feet existed in newly completed developments. Concord currently has the lowest vacancy rate of less than three percent because of the lack of recent construction.

Walnut Creek, which has the largest office concentration within Central County, is emerging as a financial center, with nearly 3.0 million square feet of existing office space developed since 1970. Another 718,000 square feet of office space is currently under construction in Walnut Creek and additional 3.2 million square feet of office space has been proposed for development.

Concord has the second largest office concentration within Central County with over 1.5 million square feet of office space developed since 1970. Another 578,000 square feet is currently under construction and an additional 3.4 million square feet has been proposed for development including the proposed one million square foot Bank of America computer center. Concord is evolving as a mid-rise office market and is becoming a major competitor to downtown Walnut Creek.

Pleasant Hill which only recently become active in the Central County office market has an estimated 500,000 square feet of existing office space. Another 210,000 square feet is currently under construction, and 450,000 square feet has been proposed for development.

HOUSING DEMAND

The housing demand forecasts for Concord are based on the projected regional employment growth which is translated to population growth. Within Central Contra Costa County the population is forecast to reach 216,300 by 1987, 238,100 by 1992 and 260,900 by 1997. Allowing for a slight decrease in the average household size, over the 15-year period, ERA has projected the number of households in Central County will reach an estimated 84,200 by 1987, 94,900 by 1992 and 106,500 by 1997.

Allowing for a three percent housing vacancy requirement and a 0.4 percent housing replacement requirement, the housing need in Central County is expected to reach 87,000 by 1987, 98,100 by 1992 and 110,100 by 1997. This represents new demand of 7,800 housing units between 1983 and 1987, 11,100 new units between 1988 and 1992 and 12,000 new units between 1993 and 1997. Concord's share of Central County's housing demand is expected to decrease slightly over the next 15 years from approximately 40 percent to around 36 percent by 1997.

An estimated 50 percent of the housing demand in Concord or 1,560 units will be multi-family units in 1987 increasing to 52 percent or 2,190 multi-family units by 1992 and 55 percent or 2,380 multi-family units by 1997. ERA projects the Central Concord area¹ can absorb 30 to 35 percent of the city's multi-family housing demand or approximately 2,000 units over the next 15 years.

RETAIL ANALYSIS

Over the next 15 years, ERA expects 3.4 million square feet of office space, including the Bank of America complex, to be developed in the Downtown Study Area. This level of office development will add 15,000 new

¹Within one-half mile of the Downtown Study Area.

employees. An estimated 2,000 new multi-family residential units can also be expected in the vicinity of the downtown, and these units will add 4,000 new people.

By Year 2000, this population and employment growth will generate an estimated \$45 or \$50 million of additional retail demand, annually. Approximately 30 percent of this demand growth will be absorbed by existing retailers, many of whom have plans to expand and/or remodel. The remaining \$30 to \$35 million in demand for retail goods and services will stimulate new retail development.

ERA estimates that by the end of this century an additional 200,000 square feet of retail space can be comfortably supported in the Downtown Study Area. Because of the considerable underutilization of existing retail space in this area most of the new retail development should be programmed for the late 1980s and early 1990s. This allows the established retailers to prosper before much new competition is introduced. The integration of the new retail development with the existing retail area to create one highly focused and concentrated point of attraction is extremely important to the vitality of Downtown Concord's retail future.

The expected distribution of the 200,000 square feet of new retail space is as follows:

Restaurants and Cafes	85,000	square feet
Drug and Variety	15,000	
Food and Liquor	10,000	
Apparel and Accessories	50,000	
Specialty Stores	20,000	
Services, Entertainment & Misc.	<u>20,000</u>	
Total	200,000	square feet

Although a very large majority of this new demand will be generated by office employment, parking for day, evening and weekend patronage will be extremely important. Given the highly competitive regional office development picture, it is unrealistic for office buildings to subsidize the daytime retail parking requirement in a significant way. Therefore if the Concord Redevelopment Agency wishes to promote retail development in areas where the land cost dictates mid to high-rise office development, the Agency will need within the Study Area to subsidize the cost of parking for those retail outlets.

The new downtown retail outlets will need to be within easy walking distances of the office development to enjoy a much lower parking requirement. However, the parking subsidy will be highest because of high land cost if the retail space is actually located on premium office land. Therefore, the overall economics is most favorable if the retail development is located near the office uses but on land which is not planned or zoned for mid to high-rise office development.

Section II

SHIFTING PATTERNS OF THE REGIONAL OFFICE MARKET

HISTORICAL PERSPECTIVE

The Bay Area added approximately 46 million square feet of office space during the past eight years for an average construction rate of 5.8 million square feet per year. Over 80 percent of this production was in seven major areas:

- o San Francisco
- o Oakland/Emeryville
- o Walnut Creek/Concord/Pleasant Hill
- o San Ramon/Pleasanton/Dublin
- o Fremont
- o San Mateo/Foster City
- o Santa Clara County

During 1981, some 10.0 million square feet of office space was produced in these seven areas. This one year's production coupled with the recent recession has resulted in a Bay Area vacancy rate of approximately ten percent.

In terms of Bay Area office development, downtown San Francisco is clearly the main feature. It accounted for between 35 and 40 percent of the regional market over the past eight years. In addition to its beauty, charm and prestige, San Francisco's dominance of the regional office market during this period can be attributed to completion of the Bay Area Rapid Transit (BART) system in the early 1970's. BART dramatically improved the linkages between downtown San Francisco and residential communities in the East Bay where much of the work force lives.

The other active Bay Area office concentrations include the Concord/Walnut Creek/Pleasant Hill area, the rapidly emerging San Ramon/Pleasanton/Dublin area, downtown Oakland, the San Mateo/Foster City area, and the San Jose Airport/downtown San Jose area. With the possible exception of Santa Clara County, development in these office nodes did not approach the level achieved in San Francisco. Rather than the traditional pure office space, a majority of the space produced in Santa Clara County in recent years is a hybrid office/R&D space. The same building will accommodate pure office, high technology manufacturing and R&D uses.

Over the next ten years, the Bay Area's office development picture is expected to change substantially. Because of the scarcity of land and strict planning controls which result from San Francisco's ambivalence about further "Manhattanization", San Francisco will accommodate only the premium office projects and will concede the less than premium office space to other markets.

With rents in San Francisco running about 50 percent above other nodes such as Oakland and Concord (see Table II-1), San Francisco will capture a decreasing share of the region's office market. Only users in need of prestige space will continue to come to San Francisco. The large space users, such as banks, utilities, and insurance companies, including those already in San Francisco, will be under pressure to find alternative lower cost locations. Bank of America's decision to move its computer operations from San Francisco into a one million square foot development in Concord is just one example of this trend. Other examples include planned moves by Bechtel Corporation, Raymond Engineering and IBM into downtown Oakland and the recent Chevron and Pacific Telephone moves into San Ramon.

The primary beneficiaries of this economic selection by San Francisco will be the major office nodes in the East Bay. The East Bay is attractive because of the abundance of labor, land for housing development, good freeway capacities and BART. The East Bay office nodes which should be

Table II-1

OFFICE BUILDING RENTAL RATES
IN THE SAN FRANCISCO BAY AREA

	<u>1977</u>	<u>1982</u>
Downtown San Francisco	\$10 - \$14	\$25 - \$42
Downtown Oakland	\$8 - \$13	\$18 - \$27
Walnut Creek	\$10 - \$12	\$18 - \$27
Concord	\$7 - \$9	\$16 - \$21
Fremont	\$6 - \$9	\$12 - \$18
San Ramon/Pleasanton	\$7 - \$9	\$16 - \$18
San Mateo/Foster City	\$7 - \$10	\$18 - \$24
Downtown San Jose/Airport Area	\$7 - \$12	\$15 - \$27

Source: Coldwell Banker and Economics Research Associates

active over the next five to ten years include downtown Oakland, the central areas of Walnut Creek, Concord and Fremont and the San Ramon/Pleasanton/Dublin area.

Downtown Oakland is central to the Bay Area labor force and is at the hub of the freeway and BART systems but still must overcome some image problems. Walnut Creek is central to the Contra Costa County labor force but faces some traffic capacity constraints on its local arterial streets. It does, however, enjoy good regional freeway access and BART service. Concord, although not as central to the existing population as Walnut Creek, enjoys proximity to the new lower cost housing supply being produced in communities such as Antioch and Brentwood. Concord also enjoys good freeway and BART services. Fremont is central to the industrial and residential growth expected over the next decade. It enjoys reasonably good highway access to San Jose, Pleasanton, Palo Alto, Sunnyvale and Oakland and is linked by BART to downtown Oakland and downtown San Francisco.

The San Ramon/Pleasanton/Dublin area, although not as well located relative to the existing populations as the other nodes, is in an area of rapid population growth and is at the interchange of two major freeways, I-580 and I-680. The office developments expected in this area will be more suburban or campus-like in nature. Because of the availability of large parcels this area will appeal to the large single user.

ATTITUDES OF MAJOR SAN FRANCISCO OFFICE USERS

In order to ascertain the current thinking of major San Francisco office space users, ERA contacted 95 firms which occupied at least 50,000 square feet of office space in downtown San Francisco. Twenty-two of the firms surveyed indicated they were considering relocation from their existing space during the next five years and were willing to discuss this topic with ERA.

Locations Being Considered

Of the 22 firms considering relocation, the distribution of locations being considered is as follows:

Downtown San Francisco	9
East Bay	9
Santa Clara County	1
Daly City	1
Marin County	1
Undecided	1

For those firms which did specify sub-markets being considered within the East Bay, the distribution is as follows:

Concord	4
Oakland	3
San Ramon/Pleasanton/Dublin	3
Walnut Creek/Pleasant Hill	2
Fremont	1

Concord is receiving serious attention from major San Francisco firms considering a move to the East Bay.

Factors Influencing Decision

Each responding firm was asked to evaluate the importance of twelve different criteria influencing its locational choice. Using a scoring system where very important is scored five, somewhat important is scored three, and unimportant is scored negative three, the relative importance of the different criteria is shown below:

<u>Criteria</u>	<u>Score</u>
Cost of Space	110
Safety and Security	106
Good Transit Service	98

<u>Criteria</u>	<u>Score</u>
Proximity to Current Work Force	80
Preference of Top Management	76
Image and Prestige	66
Availability of Building or Land	62
Easy Highway Access	50
Proximity to Clients	48
Proximity to Growing Markets	28
Uncongested and Peaceful Environment	14
Proximity to New Housing Supply	-14

The criteria scoring between 76 and 100 must be considered extremely important. Those scoring from 48 to 66 can be considered somewhat important, and those scoring below 28 can be considered unimportant. Given that the top three criteria are low cost of space, safety and security for employees, and good transit service, it is not surprising that Concord is receiving serious attention.

In summary, downtown San Francisco dominated the Bay Area office development picture over the last decade. Over the next decade, San Francisco will continue to attract the premium projects but the other office nodes will be able to capture a larger portion of the regional office market. The central areas of San Jose, Oakland, Walnut Creek, Concord, and Fremont will experience office space absorption rates well above their historic rates. The San Ramon/Pleasanton/Dublin area will remain popular for major firms seeking a campus-like setting. From our discussions with major San Francisco office users, it is evident that Concord will continue to attract its share of move outs from San Francisco.

Section III

OFFICE SPACE DEMAND AND SUPPLY IN CONCORD

The Bay Area office market is comprised of three major submarkets. The San Francisco/East Bay office market is grouped as a single market, since firms considering a south of Market Street location in San Francisco will very often also consider East Bay locations in Oakland, Walnut Creek, Concord, San Ramon, and Fremont. The Santa Clara County office market is relatively self-contained, serving the residents and businesses in the Silicon Valley , and is largely independent of the San Francisco office market. The San Mateo County office market is also reasonably self-contained. Although some developers in northern San Mateo County have attempted to attract San Francisco tenants, there has not been large scale movement from San Francisco because San Mateo County is not able to provide much new housing construction for an expanding work force.

THE SAN FRANCISCO/EAST BAY OFFICE MARKET

Since 1970, the San Francisco/East Bay office market has constructed more than 35 million square feet of new office space (see Table III-1). As shown in Figure 1, San Francisco dominated this market with 70 percent of the new office space construction. The Central Contra Costa County area, including the communities of Walnut Creek, Concord and Pleasant Hill ranked second with 14 percent of the new office space construction. The Oakland/Emeryville area was third with 9 percent. The San Ramon/Dublin/Pleasanton area, which only became active in office space construction in the last four years, contributed 4 percent. Fremont accounted for only 3 percent of this market.

Demand for office space in the San Francisco region was particularly strong during 1978, 1979, and 1980. These were years of rapid economic expansion, high rate of inflation, appreciating real estate values, and

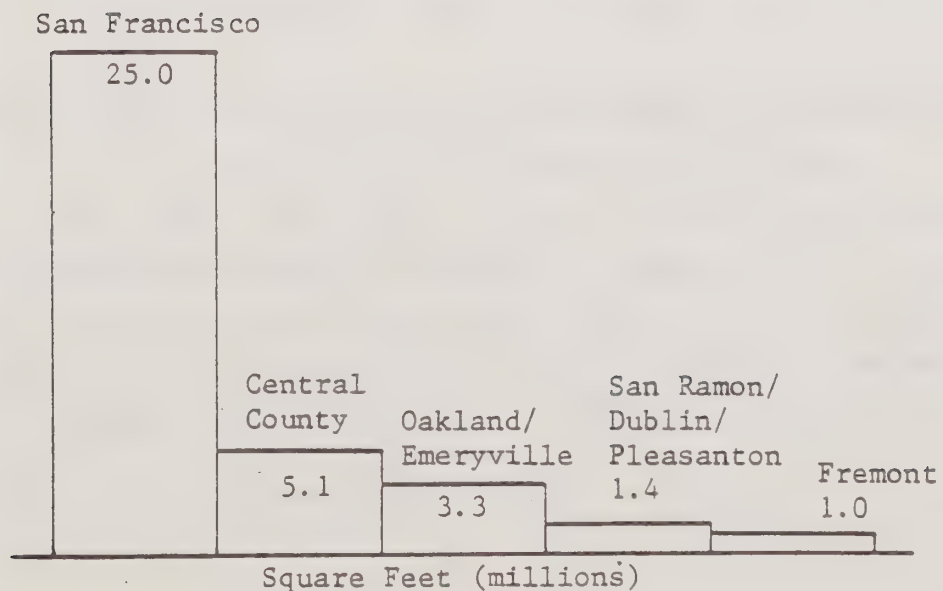
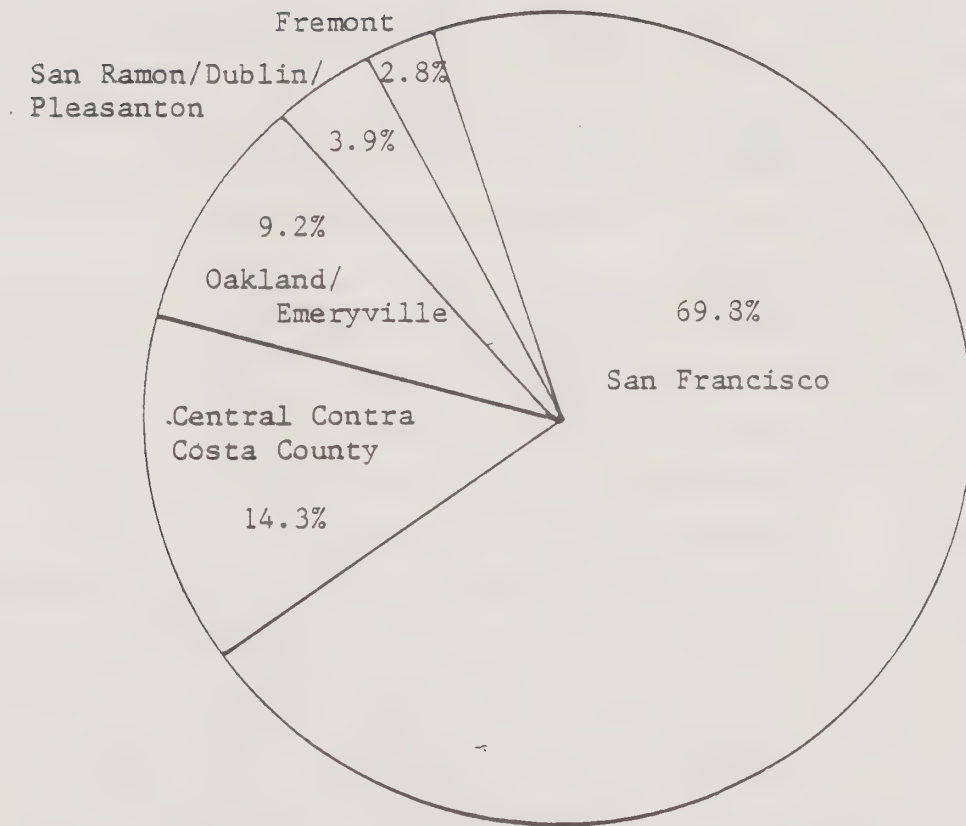
Table III-1

OFFICE CONSTRUCTION IN SAN FRANCISCO AND MAJOR EAST BAY OFFICE NODES
(Thousands of Square Feet)

Year	San Francisco	Oakland/Emeryville	Concord/Walnut Creek and Pleasant Hill	San Ramon/Dublin and Pleasanton	Fremont	Total San Francisco and East Bay Nodes
1970	1,853	300	297	18	65	2,533
1971	--	70	397	--	35	502
1972	1,961	--	328	64	20	2,373
1973	2,736	804	142	13	57	3,752
1974	2,065	155	128	44	25	2,417
1975	536	--	107	--	76	719
1976	2,429	738	227	39	40	3,473
1977	2,660	64	143	--	126	2,993
1978	--	--	310	68	86	464
1979	2,532	225	834	164	70	3,825
1980	1,284	39	584	413	99	2,419
1981	3,029	345	430	317	182	4,303
1982	<u>3,771</u>	<u>528</u>	<u>1,178</u>	<u>253</u>	<u>103</u>	<u>5,833</u>
Total	24,856	3,268	5,105	1,393	984	35,606
Percentage	69.8%	9.2%	14.3%	3.9%	2.8%	100.0%

Source: Economics Research Associates and various brokers

FIGURE 1
DISTRIBUTION OF EXISTING OFFICE SPACE
IN SAN FRANCISCO/EAST BAY
(CONSTRUCTED SINCE 1970)



Source: Economics Research Associates

steep rental rate increases for office space. Construction of office space did not keep pace with demand, and new leases in downtown San Francisco were being offered with a 50 or 100 percent increase over previous rates.

This demand boom and supply shortfall attracted virtually all of the real estate financing sources into office projects. Due to the availability of financing, ten million square feet of office space was constructed in the Bay Area during 1981 and 1982. Several million more square feet are still in various stages of development.

During this two year period when a vast amount of space was being placed onto the market, 6.7 million square feet in San Francisco, 1.6 million square feet in the Walnut Creek/Concord area and 570,000 square feet in the San Ramon/Pleasanton area, the national and state economies entered into perhaps the most severe recession since the Great Depression. Unemployment in California jumped from 6.8 percent in 1980 to 9.9 percent in 1982. In the San Francisco/Oakland SMSA unemployment increased from 5.6 percent to 8.2 percent. This recession resulted in layoffs, loss of business confidence and postponement of expansion plans. Demand for office space dropped precipitously during these years of high production. In the five year period from 1978 through 1982, ERA estimates that the San Francisco/East Bay office market constructed some 3.3 million square feet of office space per year but actually only absorbed 2.8 to 3.0 million square feet per year. The severe recession of 1981 and 1982 suppressed demand well below the production level.

HISTORICAL OFFICE CONSTRUCTION AND ABSORPTION IN CONTRA COSTA COUNTY

Since 1970, more than 5.1 million square feet of new office space has been constructed in Central Contra Costa County. Over 3.0 million square feet, representing 60 percent of this new office space was built within the last four years. As shown in Table III-2 and Figure 2, Walnut Creek dominated Central Contra Costa County office construction throughout the 1970s and early 1980s with 3.0 million square feet, or 58 percent of

Table III-2

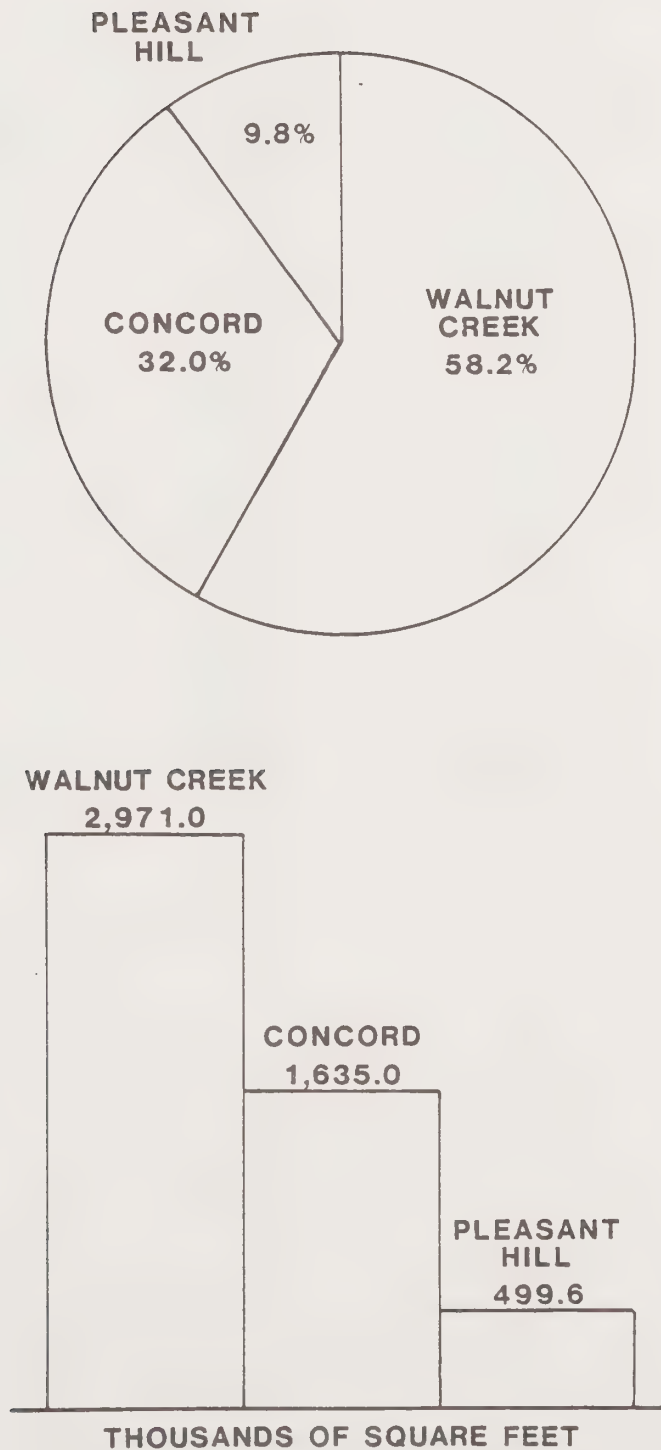
HISTORICAL OFFICE SPACE CONSTRUCTION IN CONCORD,
WALNUT CREEK AND PLEASANT HILL

	<u>Concord</u>	<u>Walnut Creek</u>	<u>Pleasant Hill</u>	<u>Central Contra Costa County</u>
1970	179,000 ¹	79,000	39,000	297,000
1971	377,000 ¹	--	20,000	397,000
1972	41,000	287,000	--	328,000
1973	34,000	108,000	--	142,000
1974	36,000	92,000	--	128,000
1975	11,000	71,000	25,000	107,000
1976	27,000	200,000	--	227,000
1977	--	143,000	--	143,000
1978	148,000	162,000	--	310,000
1979	137,000	661,000	36,000	834,000
1980	161,000	261,000	162,000	584,000
1981	82,000	264,000	84,000	430,000
1982	<u>402,000¹</u>	<u>643,000</u>	<u>133,000</u>	<u>1,178,000</u>
Total	1,635,000	2,971,000	499,600	5,105,000
 <u>Average Annual Construction 1970 to 1982</u>				
1970 to 1976	101,000	120,000	12,000	233,000
1977 to 1982	155,500	356,800	69,000	581,300
1970 to 1982	126,000	229,000	38,000	393,000

¹Includes Chevron U.S.A., buildings totaling 615,700 square feet.

Source: Coldwell Banker, and Economics Research Associates

FIGURE 2
DISTRIBUTION OF EXISTING OFFICE SPACE
IN CENTRAL CONTRA COSTA COUNTY
(CONSTRUCTED SINCE 1970)



SOURCE: ECONOMICS RESEARCH ASSOCIATES

the total. Concord accounted for 32 percent of the new office space construction with 1.6 million square feet. Pleasant Hill, which only recently became active in the Central County office market added nearly 0.5 million square feet or just under ten percent of the total new office space construction in Central County.

Central Contra Costa County's share of the regional office construction increased from around 11 percent in the early and mid 1970s to over 14 percent by the late 1970s to present. The vacancy rate in the Central County area was estimated at about 13.7 percent by the end of 1982. After adjusting for this vacancy factor, the annual office space absorption in the Central Contra Costa County is estimated to have been 587,000 square feet per year during the past five years.

OFFICE CONSTRUCTION IN CONCORD

Between 1970 and 1982, an average of 126,000 square feet of new office space was constructed in Concord for a total of more than 1.6 million square feet over the 13-year period. A majority of this new office development occurred over the last five years, and since 1977, an average of 155,000 square feet of office space was built per year.

Virtually all of Concord's major¹ existing office developments are of one, two or three stories and are located in West Concord, the area bounded by I-680, Highway 24 and Highway 4. The eight major office developments in this area represent a total of over 1.1 million square feet. With the exception of the complex at 2150 John Glenn Drive, which only recently became available for office use, all of the major office developments surveyed in Concord have vacancy rates of five percent or less. In addition to the convenient highway access, West Concord offers an abundance of large parcels, making it attractive for large office developments.

¹Office developments of 40,000 square feet or more.

REGIONAL OFFICE DEMAND OUTLOOK

Because supply greatly exceeded demand during 1981 and 1982, the Bay Area office market has swung from a seller's market in 1980 to a buyer's market in 1983. With a vacant inventory in excess of 3.1 million square feet and several times that amount of space in the pipeline, deals favorable to the tenants are being made everywhere.

The availability of supply, resulting in highly favorable lease agreements for the leasee, coupled with the expected economic recovery should push office space demand during the next five year period well beyond the level reached during the past five years. Firms in need of additional space but postponed expansion during 1979 to 1980 due to a tight market and during 1981 and 1982 due to uncertainties in the economy will move and expand in late 1983, 1984, or 1985.

In contrast to the 2.8 to 3.0 million square feet per year absorbed during the past five years, ERA forecast the 1983 through 1987 absorption to be in the 3.4 to 3.8 million square feet per year range. In the succeeding five years, from 1988 through 1992, total San Francisco and East Bay office space absorption is projected to reach the 4.0 to 4.6 million square feet per year range, and from 1993 to 1997, the total absorption could reach the 4.8 to 5.3 million square feet per year range (see Table III-3). These projections are based on historic office construction trends within the San Francisco/East Bay region. The projected distribution of new office construction within the individual submarket areas, as shown in Table III-3 and Figure 3, is based on ERA's expertise and understanding of the shifting growth patterns within the San Francisco/East Bay office market.

Table III-3

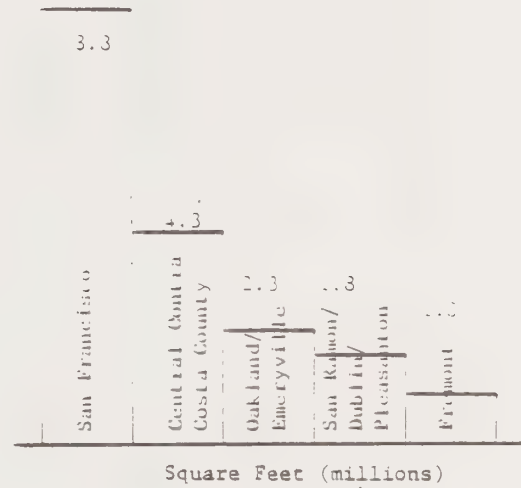
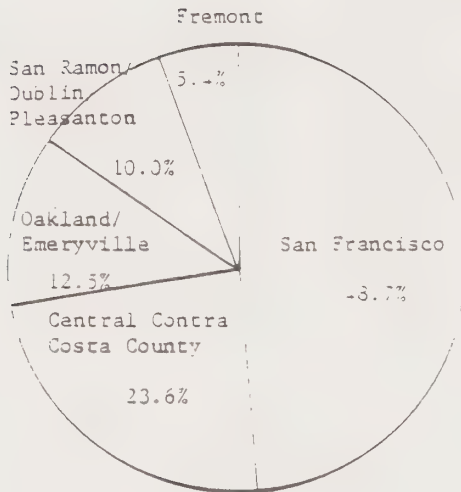
ANALYSIS OF OFFICE CONSTRUCTION AND ABSORPTION TRENDS
BY FIVE YEAR TIME PERIODS
(Thousands of Square Feet)

<u>Average Annual Construction in Five Year Periods</u>	<u>San Francisco</u>	<u>Oakland/ Emeryville</u>	<u>Concord/Walnut Creek and Pleasant Hill</u>	<u>San Ramon/Dublin and Pleasanton</u>	<u>Fremont</u>	<u>Total San Francisco and East Bay Nodes</u>
1970 - 1974	1,723	266	258	28	40	2,271
1974 - 1978	1,538	191	183	30	71	2,315
1978 - 1982	2,123	227	667	243	108	3,368
Estimated Vacancy Rate Year End 1982	7%	6%	14%	20%	15%	9%
Estimated Vacant Inventory of Post 1970 Buildings at Year End 1982	1,884	200	710	301	150	3,173
<u>Estimated Average Annual Absorption In Five Year Periods</u>						
1978 - 1982	1,850-1,900	200-210	540-580	170-200	80-90	2,840-2,980
1983 - 1987	1,700-1,800	400-500	800-900	300-400	170-220	3,370-3,820
1988 - 1992	1,800-2,000	600-700	950-1,050	400-500	250-350	4,000-4,600
1993 - 1997	1,920-2,120	870-970	1,150-1,260	530-580	330-370	4,800-5,300

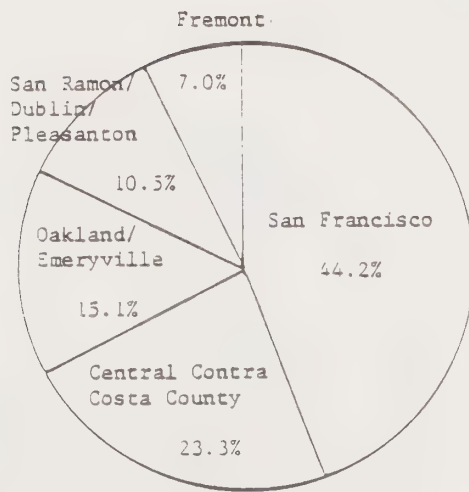
Source: Economics Research Associates

FIGURE 3
PROJECTED DISTRIBUTION OF SAN FRANCISCO/EAST BAY
OFFICE SPACE DEMAND

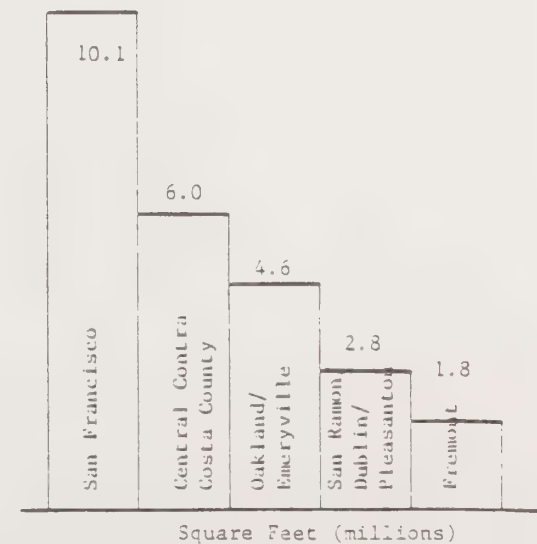
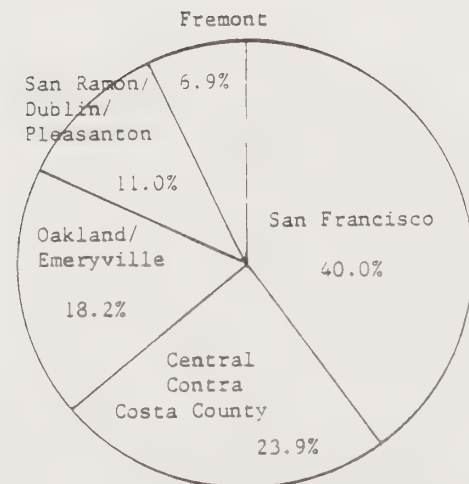
1983-1987



1988-1992



1993-1997



OFFICE SPACE DEMAND OUTLOOK IN CENTRAL CONTRA COSTA COUNTY

The Central Contra Costa County area is expected to continue to gain an increasing share of the total regional office market. As previously mentioned, this area is served by a well integrated highway network with Interstate I-680, and Highways 24 and 4. In addition, BART provides convenient commuter service to the three Central County communities from San Francisco and other East Bay locations.

ERA estimates that Central Contra Costa County will absorb between 800,000 and 900,000 square feet of office space per year in the 1983 to 1987 period. At this level, Central Contra Costa County will be capturing approximately 24 percent of the San Francisco/East Bay office demand. By the 1988 to 1992 period, the Central County's absorption can be expected to reach 950,000 to 1,050,000 square feet per year, and by the 1993 to 1997 period it is projected to reach 1,150,000 to 1,260,000 square feet per year.

Table III-4 and Figure 4 present the total projected new office demand for the Central County communities of Walnut Creek, Concord and Pleasant Hill. Again, ERA has assigned shares for each sub-area's office demand based on historic growth trends, and an understanding of future shifts in demand within the Central County office market. As shown in the table, Walnut Creek which is emerging as a financial center, is expected to continue with the largest share of Central County office space demand with average annual absorption of 440,000 in the 1983 to 1987 period increasing to 580,000 square feet by 1993 to 1997. Concord is second with an average annual demand of 360,000 by 1983 to 1987, increasing to 480,000 square feet by 1993 to 1997. With typical rents 15 to 25 percent below Walnut Creek, Concord is becoming a very competitive alternative to Walnut Creek. Pleasant Hill is expected to gain an increasing share of the Central County office demand over the next 15 years as Walnut Creek and Concord approach

Table III-4

PROJECTED NEW OFFICE SPACE DEMAND
(Five-Year Periods)

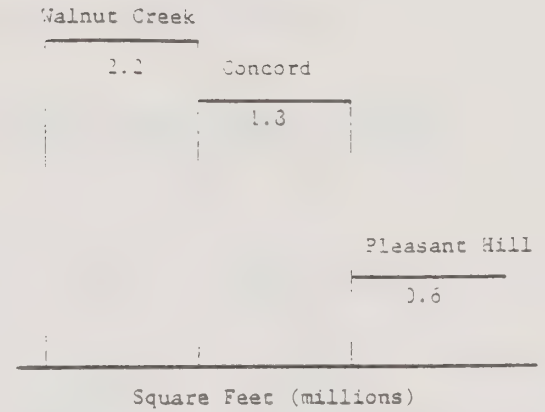
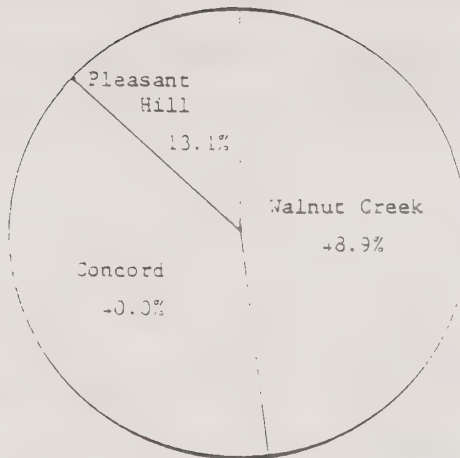
	<u>1983-1987</u>	<u>1988-1992</u>	<u>1993-1997</u>	<u>Total 1983-1987</u>
<u>Total Office Space Demand (Square Feet)</u>				
Central Contra Costa County	4,600,000	5,300,000	6,300,000	16,200,000
Walnut Creek	2,200,000	2,500,000	2,900,000	7,600,000
Concord ¹	1,800,000	2,000,000	2,400,000	6,200,000
Pleasant Hill	600,000	800,000	1,000,000	2,400,000
<u>Average Annual Office Space Demand (Square Feet)</u>				
Central Contra Costa County	920,000	1,060,000	1,260,000	3,240,000
Walnut Creek	440,000	500,000	580,000	1,520,000
Concord ¹	360,000	400,000	480,000	1,240,000
Pleasant Hill	120,000	160,000	200,000	480,000
<u>Percent of Total Office Space Demand</u>				
Central Contra Costa County	100.0%	100.0%	100.0%	100.0%
Walnut Creek	48.9%	47.6%	46.0%	46.9%
Concord ¹	40.0%	38.1%	38.1%	38.3%
Pleasant Hill	13.1%	15.2%	15.9%	14.8%

¹Includes Bank of America development of one million square feet.

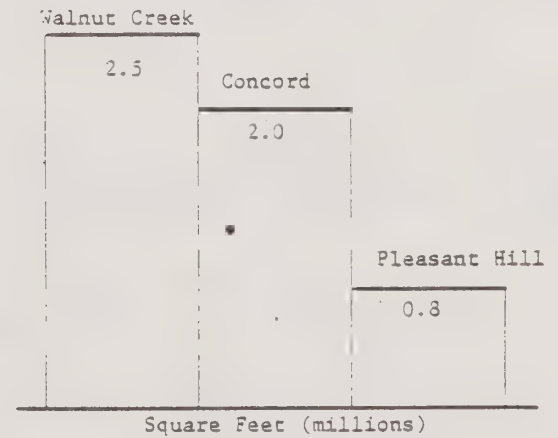
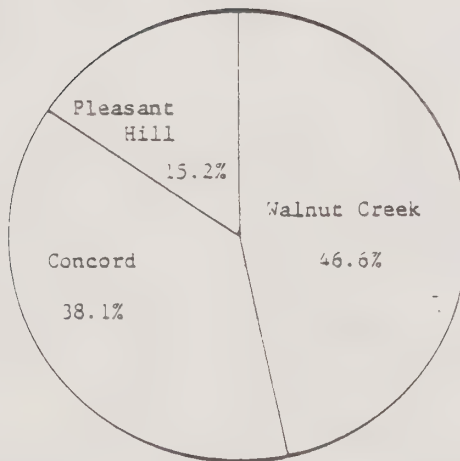
Source: Economics Research Associates

FIGURE 4
PROJECTED DISTRIBUTION OF CENTRAL CONTRA COSTA
COUNTY OFFICE SPACE DEMAND

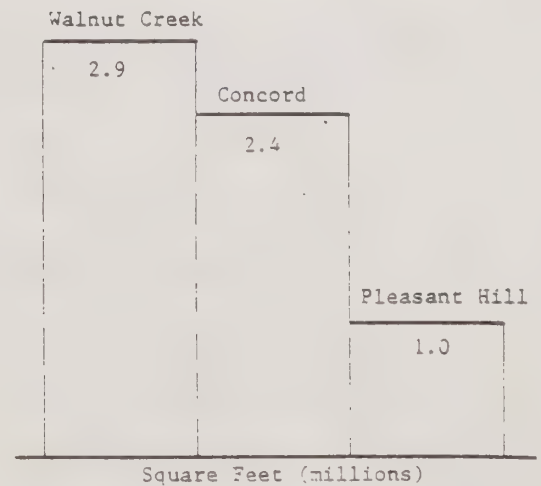
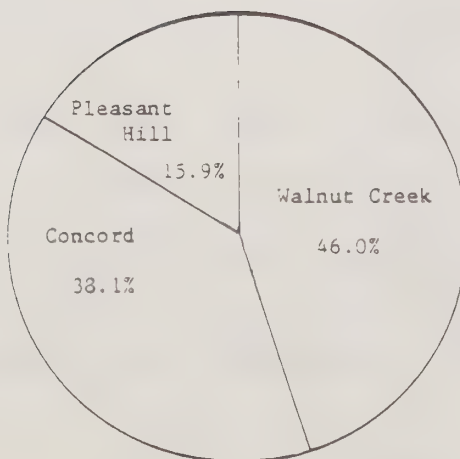
1983-1987



1988-1992



1993-1997



Source: Economics Research Associates

saturation. Pleasant Hill's average annual office space absorption is projected to increase from 120,000 in the five-year period from 1983 to 1987, to 200,000 square foot range in the five-year period, 1993 to 1997.

PROJECTED OFFICE DEMAND IN CONCORD AND THE DOWNTOWN STUDY AREA

ERA has estimated the total annual office demand in Concord to be 360,000 square feet from 1983 to 1987, 400,000 square feet from 1988 to 1992, and 480,000 square feet from 1993 to 1997 (see Table III-5). Within the Downtown Study Area which is defined as the 30-block area bounded by Pacheco Street, Port Chicago Highway and the BART line, Galindo Street and Mira Vista Terrace (see Figure 5), ERA projects an average annual office space absorption of 237,000 square feet from 1983 to 1987, 230,000 square feet from 1988 to 1992, and 216,100 square feet from 1993 to 1997. Over the 15-year period Concord is expected to absorb 6.2 million square feet of new office space, and 3.4 million square feet of this space is expected to be in the Downtown Study Area. The remaining 2.8 million square feet of office space demand will be located primarily in the West Concord Area.

Excluding the Bank of America project which includes a 700,000 square foot Phase I development in 1986 and a 300,000 square foot Phase II development in 1992, ERA projects an average annual demand within the Study Area of approximately 97,000 square feet from 1983 to 1987, increasing to 170,000 from 1988 to 1992 and 216,000 square feet from 1993 to 1997.

REVIEW OF EXISTING MAJOR OFFICE PROJECTS IN CENTRAL CONTRA COSTA COUNTY

In order to secure a more complete picture of the Central Contra Costa County office market, ERA surveyed 20 major existing office projects of 40,000 square feet or more. Included in this survey were eight projects in Concord with a total of approximately 1.1 million square feet, ten projects in Walnut Creek totaling 1.7 million square feet and three projects in Pleasant Hill with 0.2 million square feet. The survey

Table III-5

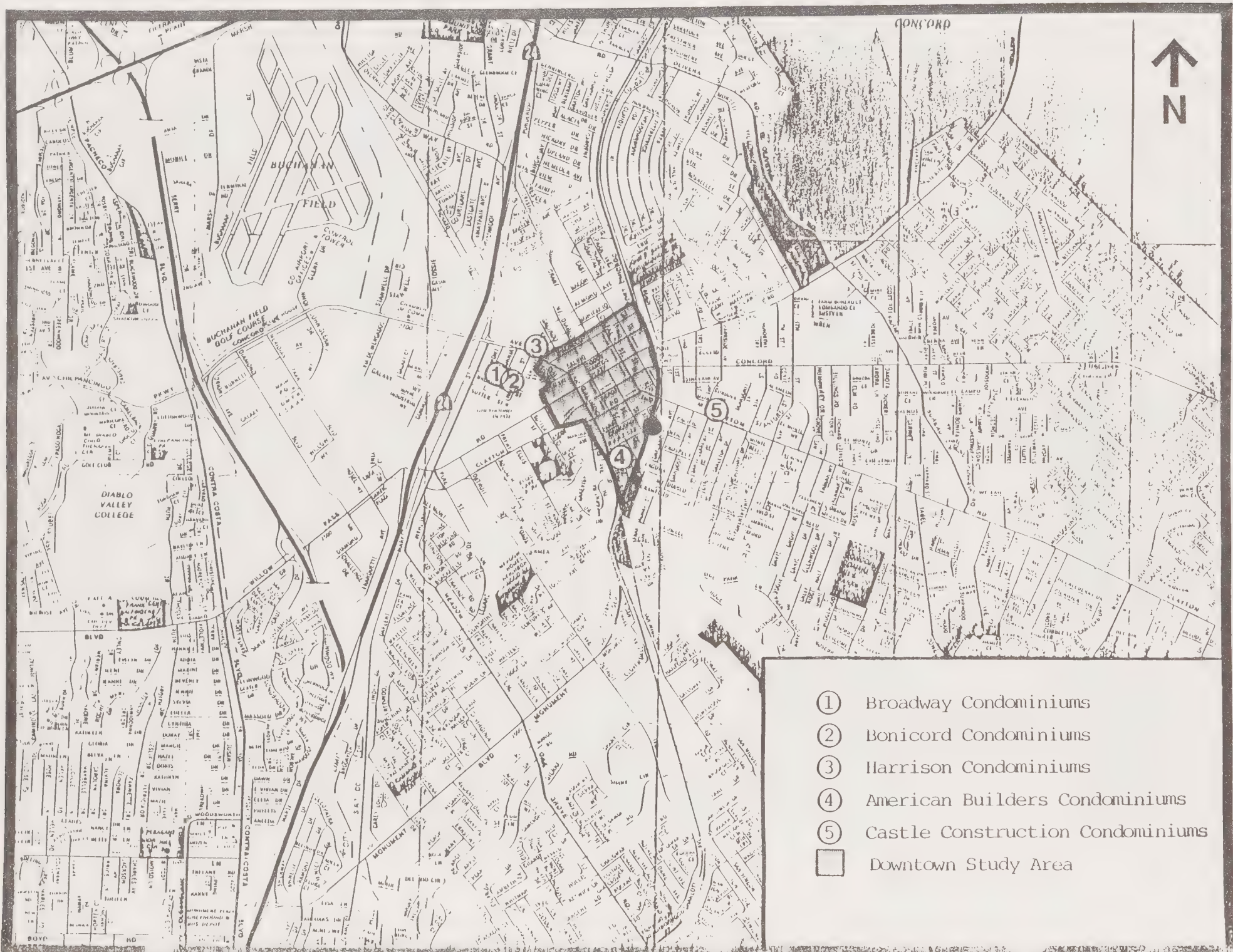
PROJECTED NEW OFFICE SPACE DEMAND IN
THE DOWNTOWN STUDY AREA
(Square Feet)

	<u>1983-1987</u>	<u>1988-1992</u>	<u>1993-1997</u>	<u>Total 1983-1987</u>
<u>Total Office Space Demand</u>				
City of Concord	1,800,000	2,000,000	2,400,000	6,200,000
Downtown Study Area	<u>1,185,000</u>	<u>1,150,000</u>	<u>1,080,000</u>	<u>3,415,000</u>
Bank of America	700,000	300,000	--	1,000,000
Downtown Study Area	485,000	850,000	1,080,000	2,415,000
Excluding Bank of America				
Other Concord ¹	615,000	850,000	1,320,000	2,785,000
 <u>Annual Demand</u>				
City of Concord	360,000	400,000	480,000	1,240,000
Downtown Study Area	<u>237,000</u>	<u>230,000</u>	<u>216,000</u>	<u>683,000</u>
Bank of America	140,000	60,000	--	200,000
Downtown Study Area	97,000	170,000	216,000	483,000
Excluding Bank of America				
Other Concord ¹	123,000	170,000	264,000	557,000
 <u>Distribution of Office Demand</u>				
City of Concord	100.0%	100.0%	100.0%	100.0%
Downtown Study Area	<u>65.8%</u>	<u>57.5%</u>	<u>45.0%</u>	<u>55.1%</u>
Bank of America	38.9%	15.0%	--	16.1%
Downtown Study Area	26.9%	42.5%	45.0%	39.0%
Excluding Bank of America				
Other Concord ¹	34.2%	42.5%	55.0%	44.9%

¹Majority of "Other Concord" office demand will be in West Concord.

Source: Economics Research Associates

FIGURE 5
PROPOSED MULTI FAMILY HOUSING PROJECTS IN THE CENTRAL CONCORD AREA



- ① Broadway Condominiums
- ② Bonicord Condominiums
- ③ Harrison Condominiums
- ④ American Builders Condominiums
- ⑤ Castle Construction Condominiums
- Downtown Study Area

provides descriptive information on size and type of each office development, as well as the current lease rates, tenant improvement allowances, parking ratios, tenant types and estimated vacancy rates. The key findings of the office survey are summarized below. Summary tables and mapped locations of these existing office projects are presented in Appendix A.

Average Lease Rates

The typical lease rates for new office space in Central Contra Costa range from around \$1.35 per square foot to \$2.10 per square foot, fully serviced. Walnut Creek has the highest rents for new space, ranging from \$1.60 per square foot (fully serviced) to \$2.35 per square foot (gross). Pleasant Hill follows with average rents in new office developments of around \$1.60 per square foot (fully serviced). Fully serviced office space in Concord's two and three-year old developments rent for around \$1.35 to \$1.50 per square foot.

Tenant Improvements Allowances

Tenant improvements allowances for newly developed office space in Central Contra Costa County average around \$15 per square foot of gross leasable area, but reach as low as \$12 per square foot and as high as \$16 per square foot. A few of the developers in the newer office projects offer "workletter"² equivalents in the \$15 to \$16 per square foot range.

Parking Ratios

Parking ratios for a majority of the existing office developments in Central Contra Costa County average around four stalls per 1,000 square feet of gross leasable space. The few newer projects located in close

²A "workletter" is a description of the amount and kinds of tenant improvements the developer will supply at the developer's expense.

proximity to BART stations generally have a ratios of around three parking stalls per 1,000 square feet of gross leasable space. Currently, a majority of the parking provided in existing office projects in the Central County area are in surface lots.

Tenant Mix

The survey of existing office projects in Central Contra Costa County revealed that a majority of the newly constructed office space in this area is occupied by firms with national or regional affiliation, which have relocated from San Francisco. Many corporations have moved their auxillary functions such as computer operations and administrative services to the East Bay while maintaining small corporate headquarter offices in downtown San Francisco. In addition to the influx of major corporations and regional headquarters, the Central County area has begun attracting more middle market activities including labor intensive data processing and administrative activities.

Vacancy Rate

By the end of 1982, an estimated 710,000 square feet of office space in existing projects was available for lease in Central Contra Costa County. This represented an approximate vacancy rate of 13.7 percent. Nearly two-thirds of this vacant office space totaling 475,000 square feet existed in new buildings which were built without major tenant commitments. ERA estimates this vacant office space inventory will be absorbed within a 10 to 12-month period.

Of the eight major office projects surveyed in Concord totaling 1.1 million square feet, less than 30,000 square feet is currently available for lease. This represents a vacancy rate of only 2.6 percent. With the exception of the owner occupied Chevron building, on Diamond Boulevard, no new office projects have been added to the Concord office supply since 1981.

Of the ten office developments surveyed in Walnut Creek totaling 1.7 million square feet, approximately 275,000 square feet of space is currently available for lease for a vacancy rate of around 16 percent. An estimated 24 percent of existing office space in Pleasant Hill, or 59,000 square feet was available for lease at the end of 1982. Over 85 percent of this vacant office space was located in newly completed (1982) projects.

Summary of Existing Major Office Projects in Concord

A majority of the major office projects in Concord have been built within the last five to six years. With the exception of Chevron's three-story building, virtually all of the office projects developed during this period are low-rise one and two-story buildings. All of the major existing office projects in Concord are located within the "Golden Triangle Area".

The parking ratio for major office projects is typically four stalls per 1,000 square feet, and lease rates range from \$0.90 to \$1.70 per square foot for fully serviced office space. The vacancy rate within Concord's major office projects is less than three percent.

REVIEW OF MAJOR OFFICE PROJECTS UNDER CONSTRUCTION OR PROPOSED FOR DEVELOPMENT IN CENTRAL CONTRA COSTA COUNTY

ERA identified 10 major office projects currently under construction and 32 office projects proposed for development in the Central Contra Costa County area. These proposed office developments were surveyed to determine the approximate building sizes, estimated lease rates, tenant improvement allowances, parking ratios, type of space being developed, percent preleased and the proposed timing of development.

The 10 office projects currently under construction in the Central County area comprise nearly 1.5 million square feet of new office space to be completed within the next two years. An estimated 578,000 square feet or 38 percent of this new office space is being developed in Concord. Forty eight percent of the total or 718,000 square feet is being developed

in Walnut Creek, and 210,000 square feet or 14 percent of the total is being developed in Pleasant Hill. The detailed findings of ERA's survey are provided in the tables found in Appendix B.

Major Projects Under Construction in Concord

At present, four major office projects with a total of 578,000 square feet are under construction in Concord. Three of these projects totaling 487,000 square feet are being developed in West Concord area, and one project, Salvio Pacheco Square with 91,000 square feet of office space is being developed in the Downtown Study Area. A brief description of each of these projects is provided in the paragraphs that follow.

Concord Airport Plaza

The Concord Airport Plaza is located across from the Concord Airport at the southeast corner of Concord Avenue and John Glenn Drive. This project consists of two six-story office towers and a total of 350,000 square feet of office space. Lease rates at Airport Plaza are quoted at \$1.85 per square foot for fully serviced office space with a \$15 tenant improvements allowance. The parking ratio for this new office development is planned for 3.5 spaces per 1,000 square feet.

Concord Airport Plaza will be Concord's first mid-rise office development when Phase I is completed by year end 1983. This project will offer Class A executive office space with an advanced central voice and data communications network available for all tenants. While there are no firm commitments for office space within this project, an estimated 15 percent of the office space at Airport Plaza is tentatively preleased.

One Corporate Center

The seven-story, 137,000 square foot office project known as One Corporate Center is currently being constructed at the southwest corner of Willow Pass Road and Diamond Way. This new Class A office project which is being developed by Bedford Properties is scheduled to be completed and

ready for occupancy by May of 1984. The lease rates for fully serviced office space at One Corporate Center will range from \$1.80 to \$2.00 per square foot. Approximately 450 parking spaces will be provided for a parking ratio of 3.3 spaces per 1,000 square feet of gross leasable area. While there are no formal commitments for One Corporate Center, negotiations are supposedly under way for a potential single user of the entire building.

Salvio Pacheco Square

Salvio Pacheco Square, which is located on Salvio Street between Grant and Mt. Diablo Streets is the three-story mixed use redevelopment project being developed by IRM Corporation. This project, when completed in the fall of 1983, will offer approximately 91,000 square feet of office space and 29,000 square feet of retail space. A 500-car public parking structure is being developed on the adjacent parcel across Grant Street.

One thousand to 45,000 square foot office suites are available for preleasing at \$1.65 per square foot, fully serviced. The tenant improvement allowance for office space at Salvio Pacheco Square is \$15 per square foot. Ground level retail space is being leased at \$1.15 to \$1.25 per square foot triple net with tenant improvement allowances of \$10 to \$18 per square foot respectively. At present, none of the office space at Salvio Pacheco Square has been preleased.

Office Projects Proposed for Development in Concord

In addition to the projects under construction, eight major office developments totaling nearly 3.5 million square feet have been proposed in Concord. One project, with 159,000 square feet has been proposed for the West Concord area, six projects with a total of 3.3 million square feet have been proposed in the Downtown Study Area, and one project with 47,000 square feet has been proposed near the Concord Pavillion area.

2150 Orion Way

The office complex at 2150 Orion Way is the only major project currently being proposed in West Concord. The developer, Galaxy Associates, is proposing to build three four-story office buildings with a total of 159,000 square feet at this site. Lease rates for this development are projected to be in the \$1.50 to \$1.70 per square foot range with a 15 percent load factor, and the tenant improvements allowances are estimated at \$15 per square foot. Parking at 2150 Orion Way is planned at 3.3 stalls per 1,000 square feet.

The developer has obtained a use permit for Building I, with 55,000 square feet of office space. The earliest construction date for Phase I should be the Spring of 1984. Buildings II and III cannot be developed until after 1985 when the current lease on the land expires. To date, there has been no preleasing for this project.

Enea Square (Phase IV)

The final phase of Enea Square's four phased project just off Willow Pass Road at Enea Circle is scheduled to be under way with grading of the site by summer of 1983. This final phase calls for development of a three-story 53,000 square foot building which is scheduled to be completed and ready for occupancy by Spring of 1984. Lease rates for professional office space at Enea Square are tentatively set at \$1.35 to \$1.50 per square foot (fully serviced). These rates will be adjusted to current market rates at time of completion. Tenant improvement allowances are tentatively set at \$11 to \$12 per square foot. Surface parking will be provided at four spaces per 1,000 square feet. At present none of the office space in this final development phase as been preleased.

Concord Gateway

The A. Seeno Company is proposing to develop two ten-story office towers with roughly 600,000 square feet at the southeast corner of Willow Pass Road and Detroit Avenue. Parking for the project which is known as

Concord Gateway is planned for four stalls per 1,000 square feet. This project will offer quality executive office space. The developer has obtained a use permit for Concord Gateway. Development of the project is pending preleasing to a major anchor tenant. The earliest construction date for Concord Gateway is set for early 1984. The lease rates and tenant improvements allowance have not yet been determined.

WCN Project

The WCN Project is a 200,000 square foot office complex proposed at Clayton Road between Sutter and Mira Vista Roads. This office project, being proposed by Wieting, Confer and Nance will contain a single office tower of eight or nine stories for professional and executive office tenants. The parking ratio is planned for four stalls per 1,000 square feet. According to the leasing agent for this project, development of Concord Office Plaza is temporarily postponed.

Pillon/Davey Office Tower

The Pillon/Davey Office Tower is the seven-story 130,000 square foot office project being proposed by Sunshine Development at the corner of Willow Pass Road and Galindo Avenue. Parking for this project will be provided underground with a parking ratio of four stalls per 1,000 square feet. This project has the necessary building permits. In addition to the seven-story office tower, this project will contain 100 residential units, and approximately 80,000 square feet of retail space. Since the office space will be first class, finished space, there will be no tenant improvements allowance. The lease rate for Pillon Davey Tower office space is estimated to be around \$2 per square foot. The developer has recently renewed the use permit for the project. However, development of this office tower is still tentative.

Bank of America

Bank of America is proposing to develop a new one million square foot computer center for its electronic banking services division in the six-block area bounded by Galindo, Grant, Oak Streets and Concord Boulevard. Grading of the site is now under way in preparation for Phase I which will include a six-story operations building of 400,000 square feet and a 14-story tower with 300,000 square feet, scheduled to be developed by 1986. Phase II will include a nine-story 196,000 square foot building and a five-story 104,000 square foot building scheduled for completion by 1992. The new Bank of America complex will be located next to Concord's BART station. The parking ratio is planned for 2.6 stalls per 1,000 square feet.

One Concord Center

One Concord Center is the seven-story 728,000 square foot office project proposed across from the planned Bank of America complex on the block surrounded by Grant, Park, Clayton and Colfax Streets. Parking for this project is planned for two stalls per 1,000 square feet. Plans for this \$110 million project has been approved by the City. Phase I of the development is proposed for 360,000 square feet of office space. Phase II will include 350,000 square feet of office space with ground level retail on Grant Street. The developer is currently seeking financing for the project. Construction on One Concord Center is scheduled to begin in Spring of 1984 at the earliest, with project completion tentatively scheduled for early 1985. At present the lease rates and tenant improvements allowance have not been determined and there has been no preleasing activity.

Barber/Raiser Project

Three new office towers with a total of 500,000 to 600,000 square feet have been proposed at the corner of Galindo and Oak Streets. The parking ratio is being planned at 3 to 3.5 stalls per 1,000 square feet of

office space. The developer is currently working with the Redevelopment Agency to secure the site. American Builders is also competing for this site for condominium development.

Clayton Road and Kirker Pass Road

Broadmoor Homes is proposing to develop a one and two-story office project with approximately 47,000 square feet at the corner of Clayton and Kirker Pass Roads. This project which is being planned for smaller suburban type office users. In addition to the office building this project is proposed to include a 6,000 square foot restaurant and 75 single-family patio homes to be developed by Broadmoor along with 140 rental condominium units to be developed by Lincoln Properties. The parking ratio for office development is planned at 3.5 stalls per 1,000 square feet. This project has received Planning Commission approval. The earliest possible construction date for this mixed use project is late 1984 or early 1985.

Section IV

HOUSING DEMAND

ERA has projected the housing demand for the Central Concord area¹ for the three five-year periods from 1983 to 1987, 1988 to 1992, and 1993 to 1997. The housing demand projections are based on the projected increase in population within the County which are derived from office and total employment growth projections. ERA also examined historical housing construction within Concord and Contra Costa County since 1970 to provide a context for the market forecasts.

HISTORICAL RESIDENTIAL BUILDING PERMIT TRENDS

As shown in Table IV-1, over 84,000 residential units were permitted in Contra Costa County between 1970 and 1982, for an average of 6,500 units per year. Seventy percent of these units were single-family residences, and 30 percent were multi-family residences.

The City of Concord issued the highest number of permits within the County during the 13-year period, with a total of over 12,500 units for 15 percent of the County total. Concord's distribution of single-family versus multi-family units was more even than the County overall. Approximately 6,700 or 54 percent for all permits issued in Concord were for multi-family units, and 5,800 or 46 percent were for single-family units. On average, a total of 965 residential units were permitted in Concord annually, 518 of which were multi-family units and 448 of which were single-family units.

¹Includes the area within approximately one-half mile from the Downtown Study Area.

Table IV-1

RESIDENTIAL BUILDING PERMITS ISSUED IN CONCORD AND SURROUNDING COMMUNITIES: 1970-1982

	<u>1970</u>	<u>1971</u>	<u>1972</u>	<u>1973</u>	<u>1974</u>	<u>1975</u>	<u>1976</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>Total 1970-1982</u>	<u>Annual Average</u>
<u>Single-Family</u>															
Concord	220	244	378	833	744	330	1,073	638	281	251	626	129	71	5,818	448
Walnut Creek	157	503	539	278	277	227	410	701	244	143	139	50	62	3,730	287
Pleasant Hill	94	228	90	153	30	94	5	283	109	308	303	247	112	2,056	158
Martinez	134	270	575	127	101	227	465	334	330	195	233	127	112	3,230	248
Lafayette	32	70	71	69	49	79	86	122	86	85	35	37	21	842	65
Clayton	9	6	3	61	138	139	84	306	88	109	1	4	5	953	73
Pittsburg	133	310	837	195	262	328	512	870	555	291	348	236	213	5,090	392
Antioch	230	744	391	285	203	710	195	1,422	299	550	459	212	117	5,817	447
Total Eight Communities	1,009	2,375	2,884	2,001	1,804	2,134	2,830	4,676	1,992	1,932	2,144	1,042	713	27,536	2,118
Total Contra Costa County	2,178	4,852	5,687	4,723	3,269	3,797	6,122	9,059	4,993	5,557	4,566	2,523	1,930	59,256	4,558
<u>Multi-Family</u>															
Concord	2,031	1,552	749	622	234	174	72	169	481	202	228	64	151	6,729	518
Walnut Creek	894	1,909	765	517	328	114	300	130	155	136	209	54	57	5,568	428
Pleasant Hill	96	899	294	176	--	--	--	187	100	50	--	--	25	1,827	141
Martinez	73	16	76	66	--	95	122	6	4	--	9	234	89	790	61
Lafayette	3	205	38	--	9	16	4	82	7	--	--	4	23	371	29
Clayton	--	--	--	--	--	--	--	--	--	--	--	--	--	--	--
Pittsburg	128	329	312	4	12	--	--	12	24	16	169	4	9	1,091	78
Antioch	211	281	54	212	28	42	135	530	5	39	--	100	--	1,637	126
Total Eight Communities	3,436	5,191	2,288	1,597	611	441	633	1,116	776	443	615	460	334	17,941	1,380
Total Contra Costa County	4,558	6,628	3,684	2,113	768	517	1,026	1,345	1,415	775	854	585	858	25,126	1,932
<u>Total</u>															
Concord	2,251	1,796	1,127	1,455	978	504	1,145	807	762	453	854	193	222	12,547	965
Walnut Creek	1,051	2,412	1,304	795	605	341	710	831	399	279	348	104	119	9,298	715
Pleasant Hill	190	1,127	384	329	30	94	5	470	209	358	303	247	137	3,883	299
Martinez	207	286	651	193	101	322	587	340	334	195	242	361	201	4,020	309
Lafayette	35	275	109	69	58	95	90	204	93	85	35	41	24	1,213	93
Clayton	9	6	3	61	138	139	84	306	88	109	1	4	5	953	73
Pittsburg	261	639	1,149	199	274	328	512	882	579	307	517	240	222	6,109	470
Antioch	441	1,025	445	497	231	752	330	1,952	304	589	459	312	117	7,454	573
Total Eight Communities	4,445	7,566	5,172	3,598	2,415	2,575	3,463	5,792	2,768	2,375	2,759	1,502	1,047	45,477	3,498
Total Contra Costa County	6,736	11,480	9,371	6,836	4,037	4,314	7,148	10,404	6,408	6,332	5,420	3,108	2,788	84,382	6,491

Source: Security Pacific Bank, and Economics Research Associates

EMPLOYMENT INDUCED IMPACT ON HOUSING DEMAND

In Table IV-2, ERA has projected the Contra Costa County population from 1982 to 1997 based on the projected office and total employment growth within the County. As shown, ERA projects a 1987 population for Contra Costa of approximately 801,000 increasing to 952,200 by 1992 and 1,134,200 by 1997. As land in Walnut Creek, Concord and Pleasant Hill becomes more scarce and thus more costly to develop, population is expected to shift to outlying areas such as Brentwood, and Antioch, where land and housing is typically less expensive. With this shift, Central County's share of the total County population is expected to decrease slightly.

By 1987 Central County is projected to have a population of 216,300 representing approximately 27 percent of the County population. However, by 1997 the Central County population is projected to reach 260,900 representing a slightly lower 23 percent of the County population.

Table IV-2 translates the projected Central County population into new housing demand. As shown, allowing for a slight decrease in the average household size, over the 15-year period, ERA has projected the number of households in Central County will reach an estimated 84,200 by 1987, 94,900 by 1992 and 106,500 by 1997. Adjusting for a three percent housing market vacancy requirement and a 0.4 percent housing replacement requirement, the housing need in Central County is expected to reach 87,000 by 1987, 98,100 by 1992 and 110,10 by 1997.

DEMAND FOR HOUSING IN CONCORD

The new demand for housing units in Central County, as shown in Table IV-3 is estimated at 7,800 units between 1983 and 1987, 11,100 units between 1987 and 1992 and 12,000 units between 1992 and 1997. Concord's share of the total Central County housing demand is expected to decrease from approximately 40 percent in 1983 to around 36 percent by 1997. The new housing demand for Concord is projected at 3,120 units from 1983 to 1987; 4,220 from 1988 to 1992; and 4,320 units from 1993 to 1997.

Table IV-2
PROJECTED TOTAL HOUSING DEMAND IN
CENTRAL CONTRA COSTA COUNTY¹

	<u>1982</u>	<u>1987</u>	<u>1992</u>	<u>1997</u>
Central County Office Space Demand	5,105,000	9,605,000	14,855,000	21,155,000
Central County Percent of Total County Office Space Demand	80%	79%	78%	78%
Total County Office Space Demand	6,381,300	12,158,200	19,044,900	27,121,800
Total County Office Employment ²	25,500	48,600	76,200	108,500
Office Employment Percent of Total Employment	12.4%	17%	20%	22%
Total County Employment	205,900	286,100	380,900	493,100
Employment Generated Population Factor	3.3	2.8	2.5	2.3
Total County Population	680,000	801,000	952,200	1,134,200
Central County Percent of County Population	29.9%	27%	25%	23%
Central County Population	203,000	216,300	238,100	260,900
Average Household Size	2.65	2.57	2.51	2.45
Number of Central County Households	76,600	84,280	94,900	106,500
Housing Vacancy and Replacement Factor ³	1.034	1.034	1.034	1.034
Central County Housing Demand	79,200	87,000	98,100	110,100

¹Includes Concord, Walnut Creek and Pleasant Hill.

²Based on 250 square feet of office space per employee.

³Assuming a three percent vacancy and 0.4 percent housing replacement requirement.

Source: Economics Research Associates

Table IV-3

PROJECTED HOUSING DEMAND IN CONCORD

	<u>1983-1987</u>	<u>1988-1992</u>	<u>1993-1997</u>	<u>Total 1983-1987</u>
Increase in Central County Housing Demand	7,800	11,100	12,000	30,900
Concord Share of Central County Housing Demand	40%	38%	36%	38%
Concord Housing Demand	3,120	4,220	4,320	11,660
Percent Multi-Family	50%	52%	55%	52%
Percent Single-Family	50%	48%	45%	48%
Concord Multi-Family Housing Demand (Five Year Total)	1,560	2,190	2,380	6,130 ¹
Concord Single-Family Housing Demand (Five Year Total)	1,560	2,030	1,990	5,580 ¹
Annual Multi-Family Housing Demand	312	439	476	409
Annual Single-Family Housing Demand	312	406	398	372

¹Fifteen-year total.

Source: Economics Research Associates

ERA expects demand for multi-family units to increase as a percentage of overall housing demand. As shown in the Table IV-3 an estimated 50 percent of the housing demand in Concord will be multi-family units by 1987, increasing to 52 percent by 1992 and 55 percent by 1997.

DEMAND FOR MULTI-FAMILY HOUSING IN CENTRAL CONCORD

For purposes of this analysis, ERA has defined the Central Concord area to encompass the area within approximately one-half mile of the Downtown Study Area. ERA projects the Central Concord share of Concord multi-family housing demand will be between 30 and 35 percent or 2,000 units over the next 15 years. On an annual basis, the Central Concord multi-family housing demand is projected to average around 94 units between 1983 and 1987, 140 units between 1988 and 1992, and 166 units between 1993 and 1997. Under the current Redevelopment Plan, existing parcels designated for residential development as a primary use, could accommodate between 1,630 and 2,325 units, which is consistent with ERA's projected housing demand for the Central Concord area.

REVIEW OF PROPOSED MULTI-FAMILY RESIDENTIAL PROJECTS IN CENTRAL CONCORD

ERA identified five multi-family residential projects proposed for development in the Central Concord area. The project locations are identified in Figure 5. A brief description of each project is provided below.

Broadway Condominiums

A 40-unit condominium project has been approved for development on a 0.7-acre site at 1601 and 1691 Broadway Street between Fremont and California Streets. The unit mix for this project is proposed as follows:

Four studios at 566 square feet

Eighteen one-bedroom units at 690 to 852 square feet

Eighteen two-bedroom units at 924 to 1,040 square feet

The prices for Broadway Condominiums will start at \$55,000 and go up to \$120,000. The average price of these condominiums is in the \$100 to \$110 per square foot range.

Bonicord Condominiums

A 48-unit project known as Bonicord Condominiums has been approved for development on a 1.02-acre site at 1965 Bonaficio Street and Concord Avenue. This project as proposed consists of:

Twelve 450 square foot studio units;

Thirty 742 square foot one-bedroom plus den units; and

Six 742 square foot two-bedroom units.

In order to get a four-unit density bonus, the developer has agreed to price two of the units as moderate income housing with prices as low as \$41,000. The remaining 35 units average around \$90 to \$105 per square foot.

Wieting Confer and Nance Condominiums

An 87-unit condominium project has been proposed for the 0.9-acre site at the northwest corner of Broadway and Harrison Streets. The project as planned will contain 45 one-bedroom units of approximately 437 to 466 square feet, 36 one-bedroom plus den units of approximately 560 square feet, and six two-bedroom units of around 1,026 square feet. Seventy five percent of the units will be priced according to the market at \$115 per square foot. The remaining 22 units will be sold at the below-market rate of \$104 per square foot. At these market and subsidized rates, average unit prices will be \$62,920 and \$54,970 respectively.

American Builders' Condominiums

American Builders has proposed a ten-story, 142-unit condominium development on a 1.5-acre site at Galindo Street between Oak and Laguna Streets. This development is proposed for 74 one-bedroom units and 68 two-bedroom units. The units will range in size from 661 square feet to 999 square feet. The development will also contain approximately 45,000 square feet of office space. American Builders has just renewed the application for this project. The City is also reviewing a competing proposal for an office development at this site.

Castle Construction Condominiums

Castle Construction Company has proposed to develop an 800+ unit condominium project at the southeast corner of Clayton Road and The Alameda. The preliminary plans for this major new residential project include a majority of two-bedroom units but this development will also contain some one and some three-bedroom units. According to the developer the earliest construction date for this project is late 1984 or 1985. The project is expected to be completed within two to three years of breaking ground.

SUMMARY OF HOUSING DEMAND

ERA has projected the demand for multi-family housing in the Central Concord Area will be around 2,000 units over the next 15 years. Approximately 30 to 35 percent of this housing demand is expected to be around the Downtown Study Area which is expected to become a concentrated commercial core. Currently, there are some 1,100 multi-family units proposed for development in the Central Concord area, which if all are developed, leaves an excess demand of approximately 900 units over the next 15 years.

Section V

RETAIL ANALYSIS

In any downtown it is the retail uses which provide the vitality and excitement and Concord is no exception. In downtown Concord the additional local resident population and the new office employees will provide the market support for new retail development.

EXISTING RETAIL CONDITIONS

In order to evaluate the existing retail conditions in Concord, ERA distributed a survey to 134 Downtown Study Area retail and service establishments and received 43 back, 29 from retail outlets and 14 from service establishments. Some of the important facts identified by this survey are highlighted below:

- o Downtown Concord is an established retail area. Over half of the stores have been in this area for ten years or more.
- o Downtown Concord is not a particularly strong retail area. Although a few stores do well, nearly 70 percent of the retailers that responded are achieving annual sales of less than \$100 per square foot. Very few retailers are seeing volume growth in excess of inflation.
- o Ninety percent of the retailers rent rather than own space, and the average monthly rent is \$0.61 per square foot.
- o The retailers currently serve the residential population. Downtown employees are not a very important portion of their market.
- o Downtown's primary weakness as perceived by the respondents is insufficient or poorly located parking. Also mentioned as

problems are insufficient variety of stores, too much traffic congestion and poor location relative to market growth.

- o Downtown's greatest strengths are perceived to be steady clientele, friendly service and reasonable prices.
- o Retailers believe that new department stores, specialty stores, entertainment facilities, and restaurants would most enhance downtown's competitive position.
- o Although the current performance is marginal, there is tremendous optimism about the future. Over 40 percent of the retailers expect business over the next two years to be very good, 80 percent think the Bank of America's complex and related office development will increase their volume.
- o Four of the 26 respondents to the question about remodeling or relocation indicated that they were planning to move out of the downtown but six were planning to remodel, expand or redevelop within the downtown.
- o Many respondents were impatient about seeing redevelopment move forward but others were concerned with increased rents driving out smaller business and with intensified parking problems.

In summary, downtown Concord is presently a marginal retail area, but retailers are highly optimistic about their future because of the activities of the Redevelopment Agency.

NEW RETAIL SALES GENERATED BY OFFICE WORKERS

Over the next 15 years, ERA expects 3.4 million square feet of office space, including the Bank of America complex, to be developed in the Downtown Study Area. This level of office development will add 15,000 new employees, and these employees will generate considerable demand for retail goods and services locally.

In order to estimate the amount and type of retail sales generated by future office employees in downtown Concord, ERA surveyed office employee spending patterns in downtown Oakland and downtown Walnut Creek. One hundred and fifty intercept surveys were performed: 72 in Oakland and 78 in Walnut Creek. All surveys were performed during weekdays, about 50 percent during the lunch period (11:30 a.m. to 2:00 p.m.), 30 percent after work (4:00 p.m. to 6:00 p.m.) and the remainder scattered throughout the day.

The survey results are presented in Table V-1 and highlighted below:

- o When retail outlets are located nearby concentrations of office employment, the typical per employee expenditure is over \$60 per week.
- o These employees make 43 percent of their total retail expenditures near their place of employment.
- o Restaurants, bars and cafes account for 37 or 38 percent of total employee expenditures near their place of work.
- o The other important types of outlets are grocery stores, department stores and apparel stores.
- o Seventeen percent of those interviewed are in banking or financial services.
- o The approximate annual salary of those interviewed is \$25,000.

This analysis shows that, if ample retail opportunities are provided near office employment concentrations, each employee will spend an average of \$3,000 per year in these outlets. The distribution of this expenditure is shown in Table V-2.

Based on the addition of the 15,000 employees by 1997, The Downtown Study Area could generate \$46 million in additional retail sales (Table V-3). However, to determine the overall new retail development potential,

Table V-1

INTERCEPT SURVEY OF OFFICE EMPLOYEE
EXPENDITURE PATTERNS

<u>LOCATION OF INTERVIEW</u>			
	<u>Total</u>	<u>Oakland</u>	<u>Walnut Creek</u>
	100%	48%	52%
2. Does your place of employment offer			
	<u>AN EMPLOYEE CAFETERIA</u>		
No	71%	56%	85%
Yes	27	42	14
No Answer	2	3	1
	<u>A LUNCHEON CART</u>		
No	89%	86%	91%
Yes	7	6	8
No Answer	5	8	1
3. Do you usually <u>EAT OUT OR IN?</u>			
Out	53%	44%	60%
In	31	36	27
Both	9	14	5
No Answer	7	6	8
4. <u>HOW LONG DO YOU USUALLY HAVE FOR LUNCH:</u>			
30 minutes	25%	29%	22%
45 minutes	16	21	12
60 minutes	48	42	54
More than 60			
minutes	6	4	8
No Answer	5	4	5
Base: Total Respondents (150) (72) (78)			

Table V-1
(Continued)

5. In the average week HOW MUCH DO YOU SPEND IN THIS NEIGHBORHOOD on some things I'll mention. Don't count expenditures at company cafeteria or lunch cart.

	<u>Total</u>	<u>Oakland</u>	<u>Walnut Creek</u>
<u>BREAKFAST</u>			
0	62%	65%	59%
\$1-\$5	18	17	19
\$6-\$10	11	7	14
\$11-\$21	8	10	6
Over \$21	1	1	1
Average	\$2.81	\$2.83	\$2.78
<u>SNACKS</u>			
0	39%	28%	49%
\$1-\$5	43	54	33
\$6-\$15	15	16	15
Over \$15	3	3	4
Average	\$2.99	\$3.30	\$2.71
<u>LUNCH</u>			
0	13%	18%	9%
\$1-\$5	13	11	14
\$6-\$10	15	17	14
\$11-\$15	18	15	21
\$16-\$25	31	26	35
\$26-\$35	6	6	6
Over \$35	4	7	1
Average	\$13.44	\$13.20	\$13.66
<u>DINNER</u>			
0	62%	69%	55%
\$1-\$20	14	12	18
\$21-\$30	10	8	12
\$31-\$50	10	7	13
Over \$50	3	4	2
Average	\$10.18	\$8.47	\$11.76
<u>AFTER WORK DRINKS</u>			
0	61%	71%	51%
\$1-\$5	17	12	21
\$6-\$10	11	10	12
\$11-\$25	10	4	15
Over \$25	2	2	1
Average	\$3.76	\$2.85	\$4.60

Base: Total Respondents (150) (72) (78)

Table V-1

(Continued)

6. In the average week which of the following do you patronize in this neighborhood?
 6b. How much do you spend there in an entire week?

<u>RESTAURANTS, BARS, CAFES</u>	<u>Total</u>	<u>Oakland</u>	<u>Walnut Creek</u>
0	9%	17%	3%
\$1-\$10	20	17	23
\$11-\$20	29	31	27
\$21-\$30	18	14	22
\$31-\$50	16	14	18
\$51-\$100	5	6	4
Over \$100	3	3	4
Average	\$23.34	\$21.65	\$24.89
<u>DRUG STORES</u>			
0	35%	35%	36%
\$1-\$5	39	46	32
\$6-\$10	15	10	19
\$11-\$20	8	9	8
Over \$20	2	-	4
No Answer	1	1	1
Average	\$3.83	\$3.19	\$4.42
<u>GROCERIES</u>			
0	56%	67%	46%
\$1-\$20	12	9	17
\$21-\$40	17	20	14
\$41-\$50	7	3	12
\$51-\$100	6	3	9
Over \$100	1	-	3
Average	\$15.48	\$9.61	\$20.89
<u>DEPARTMENT STORES</u>			
0	52%	42%	62%
\$1-\$5	10	15	5
\$6-\$10	13	15	10
\$11-\$20	7	7	7
\$21-\$30	7	8	6
Over \$30	7	7	8
No Answer	4	6	3
Average	\$6.70	\$7.33	\$6.14
<u>CLOTHING & ACCESSORY STORES</u>			
0	49%	43%	54%
\$1-\$5	13	18	8
\$6-\$10	11	8	13
\$11-\$20	15	11	18
\$21-\$40	6	8	4
Over \$40	5	7	3
No Answer	3	4	1
Average	\$7.10	\$8.08	\$6.21
<u>SPECIALTY STORES</u>			
0	50%	53%	47%
\$1-\$5	21	22	19
\$6-\$10	19	17	22
\$11-\$20	8	7	10
Over \$20	1	1	1
Average	\$3.62	\$3.14	\$4.07
<u>OTHER</u>			
0	93%	90%	95%
\$1-\$20	7	8	6
Over \$20	1	1	-
Average	\$0.73	\$0.93	\$0.54
Base: Total Respondents			
	(150)	(72)	(78)

Table V-1
(Continued)

7. ALL TOGETHER, HOW MUCH WOULD YOU SAY YOU SPEND IN THIS NEIGHBORHOOD IN A WEEK?

	<u>Total</u>	<u>Oakland</u>	<u>Walnut Creek</u>
	<u>1%</u>	<u>-%</u>	<u>3%</u>
0	17	19	14
\$1-\$15	21	22	20
\$16-\$35	9	10	8
\$36-\$49	13	14	13
\$50-\$60	8	6	10
\$61-\$80	13	17	9
\$81-\$100	9	6	12
\$101-\$150	4	1	6
\$151-\$200	5	4	5
Over \$200	1	1	1
No Answer			
Average	\$62.57	\$56.18	\$68.46

8. WHAT PERCENT OF THAT WOULD BE DURING DAYS YOU ARE WORKING (as against special trips in the evening or on days off)?

100%	59%	62%	55%
80%-99%	16	13	19
56%-79%	7	6	8
26%-55%	11	9	12
1%-25%	5	7	4
0%	2	3	1
No Answer	1	-	1
Average	83.5%	83.0%	84.0%

9. WHAT PERCENT OF YOUR TOTAL RETAIL EXPENDITURES (like we've discussed) WOULD YOU SAY YOU SPENT IN THIS NEIGHBORHOOD AS OPPOSED TO OTHER SHOPPING AREAS?

0%	4%	3%	5%
1%-5%	19	26	12
6%-15%	9	12	5
16%-30%	18	12	23
31%-50%	13	10	15
51%-85%	16	15	18
86%-99%	10	9	12
100%	9	8	10
No Answer	2	4	-
Average	43.0%	38.5%	47.0%

Base: Total Respondents (150) (72) (78)

Table V-1
(Continued)

A. Is your OCCUPATION OR PROFESSION in?

	<u>Total</u>	<u>Oakland</u>	<u>Walnut Creek</u>
Technical or professional services	21%	22%	19%
Banking or financial services	17	17	17
Retail or restaurant sales	15	11	19
Business services	13	12	13
Transportation, communications & utilities	10	11	9
Personal, automotive or repair services	10	8	12
Manufacturing	5	7	4
Construction	5	7	3
Government	4	3	5
Other	1	1	-

B. Is your APPROXIMATE ANNUAL SALARY

Under \$15,000	20%	18%	22%
\$15,000-\$24,999	41	37	44
\$25,000-\$40,000	20	25	15
Over \$40,000	16	17	15
No answer	3	3	4
Average	\$24,965	\$25,928	\$24,066

C. Estimate AGE

18-30	39%	43%	36%
31-50	41	39	44
50-65	17	15	18
No Answer	3	3	3
Average	36.7	35.9	37.6

D. SEX

Male	56%	56%	56%
Female	39	39	40
No Answer	5	6	4

Base: Total Respondents	(150)	(72)	(78)
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Table V-2

ESTIMATED LOCAL RETAIL SPENDING
PER OFFICE EMPLOYEE

	<u>Weekly</u>	<u>Annually¹</u>	<u>Annually After Adjustment for December²</u>	<u>Percentage Distribution</u>
Restaurants, Bars or Cafes	\$23.34	\$1,144	\$1,144	37.8%
Drug Stores	3.83	188	188	6.2
Grocery Stores	15.48	759	759	25.1
Department Stores	6.70	328	344	11.4
Apparel & Accessory Stores	7.10	348	365	12.1
Specialty & Misc. Stores	<u>4.35</u>	<u>213</u>	<u>224</u>	<u>7.4</u>
Total	\$60.80	\$2,980	\$3,024	100.0%

¹Assumes 49 working weeks per year.

²A five percent upward adjustment is made for department, apparel and specialty store expenditures to reflect holiday spending.

Source: Survey Research Associates Field Survey in Downtown Walnut Creek and
Downtown Oakland

Table V-3

POTENTIAL RETAIL SALES DOWNTOWN
GENERATED BY NEW OFFICE EMPLOYEES

	<u>1983-1987</u>	<u>1988-1992</u>	<u>1993-1997</u>	<u>Total 1983-1997</u>
Downtown Redevelopment Area Office Space Demand (sq. ft.)	485,000	850,000	1,080,000	2,415,000
Bank of America (sq. ft.)	700,000	300,000	--	1,000,000
Total Office Development (sq. ft.)	1,185,000	1,150,000	1,080,000	3,415,000
New Office Employment by End of Period (@ 225 sq. ft./employee)	5,267	5,111	4,800	15,178
 New Retail Sales Potential Generated by New Office Employment (\$1,000)				
Restaurants & Cafes	\$ 6,025	\$ 5,847	\$ 5,491	\$17,363
Drug Stores	990	961	902	2,853
Grocery Stores	3,998	3,879	3,643	11,520
Department Stores	1,812	1,758	1,651	5,221
Apparel Stores	1,922	1,866	1,752	5,540
Specialty Stores	<u>1,180</u>	<u>1,145</u>	<u>1,075</u>	<u>3,400</u>
Total	\$15,927	\$15,456	\$14,515	\$45,898

Source: Economics Research Associates

the impact of additional residential population and the additional sales potential of existing retail establishments must both be considered.

DEMAND FROM NEW RESIDENTS

According to the housing market analysis in the preceding section, an estimated 6,100 multi-family units will be constructed and occupied in Concord over the next 15 years. ERA estimates that roughly 30 to 35 percent of this multi-family housing demand, or 2,000 units will be located in the vicinity of the Downtown Study Area. These new units will add some 4,000 new residents to the local market.

A review of Contra Costa County taxable sales data reveals that on average each County resident generates approximately \$3,846 in retail sales, annually. Since many of the retail expenditures generated by new downtown vicinity residents will be spent in major retail centers such as Sun Valley, and in retail areas near their places of employment, ERA estimates an average 11 percent capture rate of non-automotive retail expenditures in the downtown retail outlets (see Table V-4).

As shown in Table V-5, the new sales generated by new downtown vicinity population is projected to reach \$1.75 million by 1997. The new retail development will also attract some additional sales from residents of existing housing stock, but the market impact of this group is expected to be minor.

THE RECOMMENDED DEVELOPMENT PROGRAM

In fifteen years, the combined contribution of new employees and new residents amounts to \$47 or \$48 million dollars. However, since existing retail establishments are currently experiencing considerable under utilization of capacity, with upgrading and a shift in emphasis they will be able to capture a fraction of the new retail sales. We estimate perhaps 30 percent.

Table V-4

ESTIMATED PER CAPITA RETAIL SPENDING BY NEW DOWNTOWN
VICINITY POPULATION IN DOWNTOWN OUTLETS

	<u>Annual Spending per Capita¹</u>	<u>Capture by Downtown Outlets</u>	<u>New Study Area Population Per Capital Spending in</u>	<u>Percentage Distribut</u>
Restaurants, Bars or Cafes	\$ 472	0.15	\$ 71	16.2%
Drug Stores	184	0.10	18	4.1
Grocery Stores	1,622	0.10	162	37.0
Department Stores	953	0.10	95	21.7
Apparel and Accessory Stores	242	0.15	36	8.2
Specialty & Miscellaneous Stores	<u>373</u>	<u>0.15</u>	<u>56</u>	<u>12.8</u>
Total	\$3,846	0.11	\$438	100.0%

¹Contra Costa County average.

Table V-5

POTENTIAL DOWNTOWN RETAIL SALES
GENERATED BY NEW LOCAL POPULATION

	<u>1983-1987</u>	<u>1988-1992</u>	<u>1993-1997</u>	<u>Total 1983-1997</u>
Estimated New Downtown Vicinity Residential Development	468	701	832	2,001
Estimated New Downtown Vicinity Population (@ 2.0 per unit)	936	1,402	1,664	4,002
 New Retail Sales Potential Generated by New Downtown Vicinity Population (\$1,000)				
Restaurants and Cafes	\$ 66	\$100	\$118	\$ 284
Drug Stores	17	25	30	72
Grocery Stores	152	227	270	649
Department Stores	89	133	158	380
Apparel Stores	34	50	60	144
Specialty Stores	<u>52</u>	<u>79</u>	<u>93</u>	<u>224</u>
Total	\$410	\$614	\$729	\$1,753

Source: Economics Research Associates

The remaining 70 percent or approximately \$33 million, assuming a healthy \$169 per square foot per year performance, supports nearly 200,000 square feet of new retail space (see Table V-6). The expected distribution of the 200,000 square feet of new retail space is as follows:

Restaurants and Cafes	85,000 square feet
Drug and Variety	15,000
Food and Liquor	10,000
Apparel and Accessories	50,000
Specialty Stores	20,000
Services, Entertainment, etc.	<u>20,000</u>
TOTAL	200,000 square feet

Although a very large majority of this new demand will be generated by nearby office employment, parking for daytime, evening and weekend patronage will be extremely important.

ERA estimates that by the year 2000 the Downtown Study Area can comfortably support an additional 200,000 square feet of retail space. Because of the considerable under utilization of existing retail space, most of the new retail development should be programmed for the late 1980's and early 1990's. This allows the established retailers to prosper before much new competition is introduced. The integration of the new retail development with the existing retail area to create one highly focused and concentrated point of attraction is extremely important to the vitality of downtown Concord's future.

PARKING COST

The integration of retail space into office buildings will be financially difficult because of the high cost of structured parking. The Downtown Study Area retail development will have to compete with other retail areas which offer free surface parking, and that competition will make it virtually impossible for these shops to carry parking in structures

Table V-6

ESTIMATED NEW RETAIL SPACE DEVELOPMENT POTENTIAL
IN DOWNTOWN CONCORD BY 1997

	<u>Total Additional Retail Sales Potential (\$1,000)</u>	<u>Total Available to Support New Development¹ (\$1,000)</u>	<u>Expected Sales Per Square Foot</u>	<u>New Retail Footage Supportable</u>
Restaurants and Cafes	\$17,647	\$12,353	\$165	74,870
Drug Stores	2,925	2,048	150	13,650
Grocery Stores	12,169	8,518	250	34,070
Department Stores	5,601	3,920	140	28,000
Apparel Stores	5,684	3,979	140	28,420
Specialty Stores	<u>3,624</u>	<u>2,539</u>	<u>140</u>	<u>18,120</u>
Total	\$47,650	\$33,355	\$169	197,130

¹We have assumed that 30 percent of the additional sales will be absorbed by existing establishments.

at \$7,000 to \$12,000 per space. Given the proximity to 15,000 new office employees, these retailers may only need two spaces per thousand square feet rather than the five spaces per thousand square feet traditionally planned for shopping centers. Those two spaces probably cost \$20,000 to build; in contrast, an established suburban center is most likely able to offer five spaces for half that amount.

Given the highly competitive regional office development picture, it is unrealistic for the Downtown Study Area office buildings to subsidize the daytime retail parking requirement. Therefore if the Redevelopment Agency wishes to promote retail development in areas where the land cost dictate mid to high-rise office development, the Agency will need to subsidize the cost of parking for those retail outlets.

LOCATION OF RETAIL DEVELOPMENT

The new downtown retail outlets will need to be within easy walking distances of the office development to enjoy a much lower parking requirement. However, the parking subsidy will be highest because of high land cost if the retail space is actually located on premium office land. Therefore, the overall economics is most favorable if the retail development is located near the office uses but on land which is not planned or zoned for mid to high-rise office development.

APPENDIX TABLES

Appendix Table A-1

SURVEY OF EXISTING MAJOR OFFICE PROJECTS¹ IN CONCORD

Map Location	Project/Location	Developer	Year Built	Building Exterior	Number of Stories	Net Leasable Area (Square Feet)	Estimated Occupancy (Percent)
1	Willowick Business Park 1110 to 1190 Burnett	Koll Company	1978 to 1979	Stucco	1	40,000 (gross) (6 buildings)	96%
2	2150 John Glenn Drive	HDK	1977	Stucco	1	80,000	78%
3	Chevron Buildings 2001, 2003, 2005 Diamond Blvd.	Chevron of USA	1970, 1971 and 1982	Precast concrete	2 & 3	615,700 (gross) (3 buildings)	100%
4	Willows Office Park Diamond Blvd. (No. of Willow Pass Rd.)	Willows Office Park Partnership	1980	Stucco and wood	2	80,000	100%
5	Continental Trade Centre 1333 Willow Pass Road	Shamrock Development	1980	Stucco and wood	2	41,000 (3 buildings)	100%
6	Enea Square 1450-1485 Enea Circle	Enea Development	1979 to 1981	Stucco	2	94,000 (3 buildings)	97%
7	Buchanan Oaks 2401-2525 Stanwell Drive (Southeast of Bisso)	N.A.	1970 to 1978	Concrete and wood	2	117,200 (5 buildings)	95%
8	Hibernia Bank Building 2600 Stanwell Drive	Hibernia	1978	Concrete and brick	2	48,000	100%

N.A. means not available.

¹Includes major office projects of 40,000 square feet or more.

Source: Selected brokers, developers, and Economics Research Associates

Appendix Table A-1

SURVEY OF EXISTING OFFICE PROJECTS¹ IN CONCORD
(Continued)

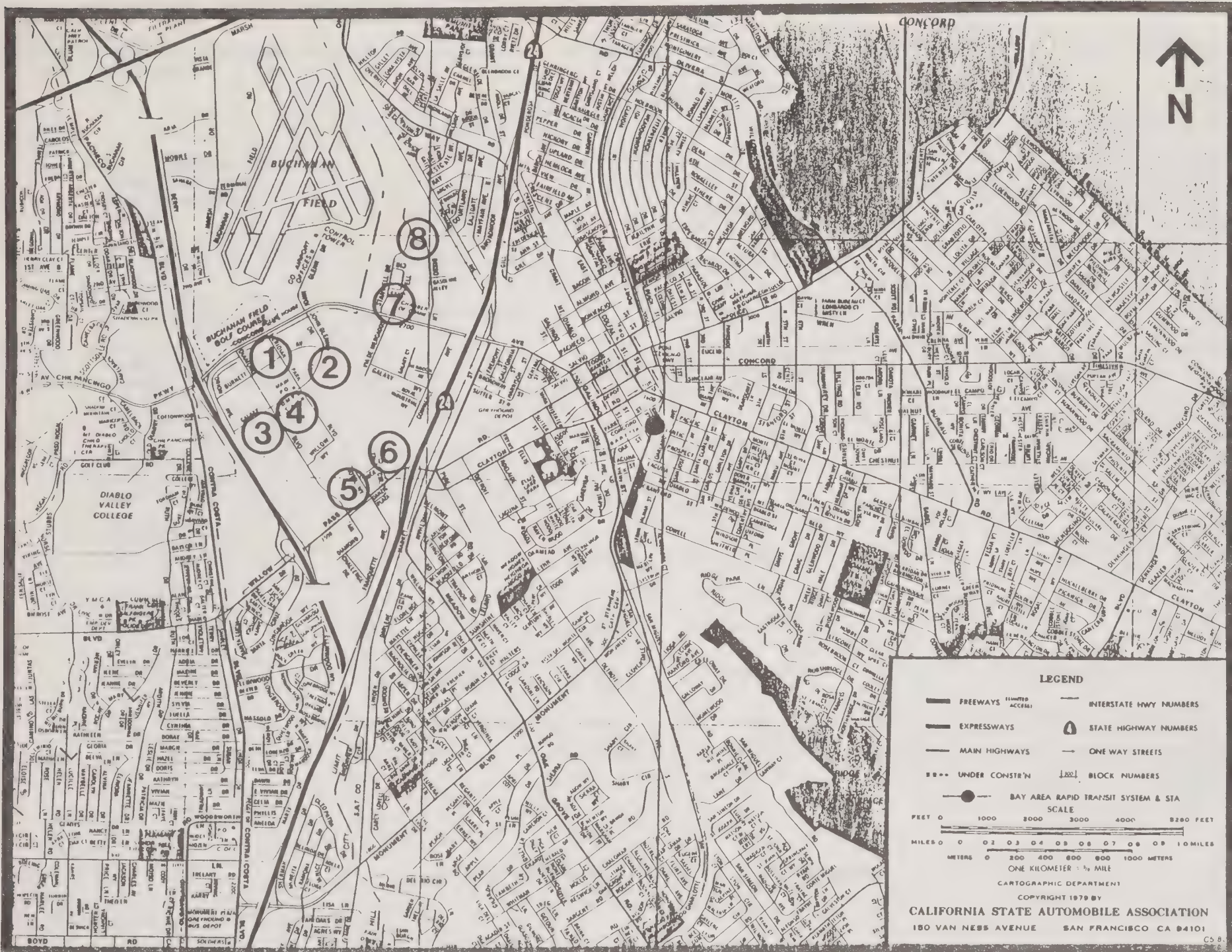
Map Location	Project	Current Lease Rate (per Square Foot)	Tenant Improvements Allowance (per Square Foot)	Parking Allotment ² (Spaces per Square Foot)	Major Tenants	Comments
1	Willowick Business Park	\$0.97 - \$1.00 (unserviced)	N.A.	4/1,000	Primarily small office users	Entire project consists of approximately 65,000 square feet of light industrial and 40,000 square feet of office space and limited retail uses.
2	2150 John Glenn Drive	\$0.70 (triple net) ³	N.A.	4/1,000	Wells Fargo, Pacific Telephone	18,000 square feet currently available for lease including 7,000 square feet of warehouse space which can be converted to office space.
3	Chevron Buildings	--	--	4/1,000	Chevron and Standard Oil	Thirty-acre site developed for Chevron and Standard Oil of California Regional headquar- ters. Attractive buildings and well landscaped grounds.
4	Willows Office Park	\$1.35 (full service)	N.A.	4/1,000	CP National	Attractive building with successful lease up history.
5	Continental Trade Centre	\$1.35 (net of utilities)	N.A.	4/1,000	Continental Foods, CP National, Dean Witter Reynolds, City Mortgage Services	Newer attractive multi-tenant building.
6	Enea Square	\$1.35 - \$1.50 (full service)	N.A.	4/1,000	Pacific Telephone, Standard Oil, Mobil Oil	Quality office space developed in three phases. Phase 4 of 53,000 square feet is scheduled to be under construction by summer of 1983.
7	Buchanan Oaks	\$0.95 - \$1.00 (excluding utilities and janitorial)	N.A.	4/1,000	Klockner & Moeller	Older less prestigious office environment. Limited land- scaping.
8	Hibernia Bank Building	\$0.90 - \$1.70 (full service)	N.A.	N.A.	Hibernia Bank	Older business/industrial type area. Unattractive building and limited landscaping.

N.A. not available.

¹Includes major office projects of 40,000 square feet or more.²Or workletter equivalent.³Lease rate for 11,000 square feet of office space and 7,000 square feet of warehouse space combined.

Source: Selected brokers, developments and Economic Research Associates

EXISTING MAJOR OFFICE PROJECTS IN CONCORD



Appendix Table A-2

SURVEY OF EXISTING MAJOR OFFICE PROJECTS¹ IN WALNUT CREEK

Map Location	Project/Location	Developer	Year Built	Building Exterior	Number of Stories	Net Leasable Area (Square Feet)	Estimated Occupancy (Percent)
1	Park Place Executive Center 2900 Camino Diablo	Challey-Craig Group	1981	Cedar	3	55,000	98%
2	Walnut Creek Plaza 1990 No. California	Dillingham Corp.	1972	Concrete block	10	154,000	94%
3	Walnut Creek Center California Blvd. and Pringle Avenue	Carma	1981/1982	Concrete & glass	5	232,000 (2 buildings)	66%
4	Civic Executive Center North Civic Drive (South of Pine)	Prometheus	1982/1983	Glass & aluminum	3	168,000 (1 building)	85%
5	Security Pacific Bank Bldg. 710 So. Broadway	Bedford Properties	1974	Concrete block & steel	2	60,000 (1 building)	72%
6	Creekside Oaks Office Park 1440-1460 Newell Avenue (at Maria)	N.A.	1980	Cedar and glass	3	98,000 (4 buildings)	100%
7	Centre Pointe Office Park Lennon Lane at Ygnacio (northwest corner)	Graham Development	1981/1982	Wood and concrete	2	200,000 (6 buildings)	99%
8	Park Shadelands 325 No. Wiget and Lennon	Shadelands Associates	1979	Concrete & tile roof	1	195,000	88%
9	Shadelands West I 355 Lennon Street (westside)	Shadelands West Assoc.	1982	Wood, glass & tile	2	90,000 (2 buildings)	10%
10	Interland Buildings 2815-2895 Mitchell (at Shadelands Dr. & Oak Grove)	Interland Corp.	1975 to 1979	Woodframe	2	360,000 (11 buildings)	86%

N.A. means not available.

¹Sample of ten major office buildings of 40,000 square feet or more. Represents approximately 70 percent of total office space in Walnut Creek in major developments.

Source: Selected brokers, developers, and Economics Research Associates

Appendix Table A-2

SURVEY OF EXISTING MAJOR OFFICE PROJECTS¹ IN WALNUT CREEK
(Continued)

Map Location	Project	Current Lease Rate (per Square Foot)	Tenant Improve- ments Allowance ² (per Square Foot)	Parking Allotment (Spaces per Square Foot)	Major Tenants	Comments
1	Park Place Executive Center	\$1.60 (full service)	N.A.	5/1,000	Com Path, Consoli- dated Funding, Berkshire Life	Located off Highway 24, away from major commercial activity. Convenient highway access.
2	Walnut Creek Plaza	\$1.95 (full service)	N.A.	2/1,000	Fidelity Savings, Citicorp, Paine Webber	High-rise office building located at Walnut Creek BART station. Parking \$30 per month.
3	Walnut Creek Center	\$2.05 - \$2.35 (gross)	\$15 ²	3/1,000	Woodward Clyde, Bank Cal, Trans- america, Occi- dental Life, Union Bank	Underground parking \$35 per month.
4	Civic Executive Center	\$2.00 - \$2.10 (full service)	\$15	4/1,000	Future home of Aetna Life, Bank of America Trust Dept., NY Life Ins., & Coldwell Banker	Attractive modern building completed in January, 1983. Successful lease-up history. Currently landscaping the property and/completing interior improvements.
5	Security Pacific Bank Building	\$1.75 (full service)	N.A.	3/1,000	Security Pacific Bank, Camp Dresser	Older less attractive building in center of Walnut Creek.
6	Creekside Oaks Office Park	\$1.40 - \$1.55 (full service)	\$15	4/1,000	Liquid Air, Nuclear Regulatory Commission	Attractive office park setting. Close to central Walnut Creek.
7	Centre Pointe Office Park	\$1.75 (full service)	N.A.	3/1,000	Traveler's Ins.	Attractive 12-acre garden park setting. Nice hill views and landscaped areas.

N.A. means not available.

¹Sample of ten major office buildings of 40,000 square feet or more. Represents approximately 70 percent of total office space in Walnut Creek in major developments.²Or workletter equivalent.

Source: Selected brokers, developers, and Economics Research Associates

Appendix Table A-2

SURVEY OF EXISTING MAJOR OFFICE PROJECTS¹ IN WALNUT CREEK
(Continued)

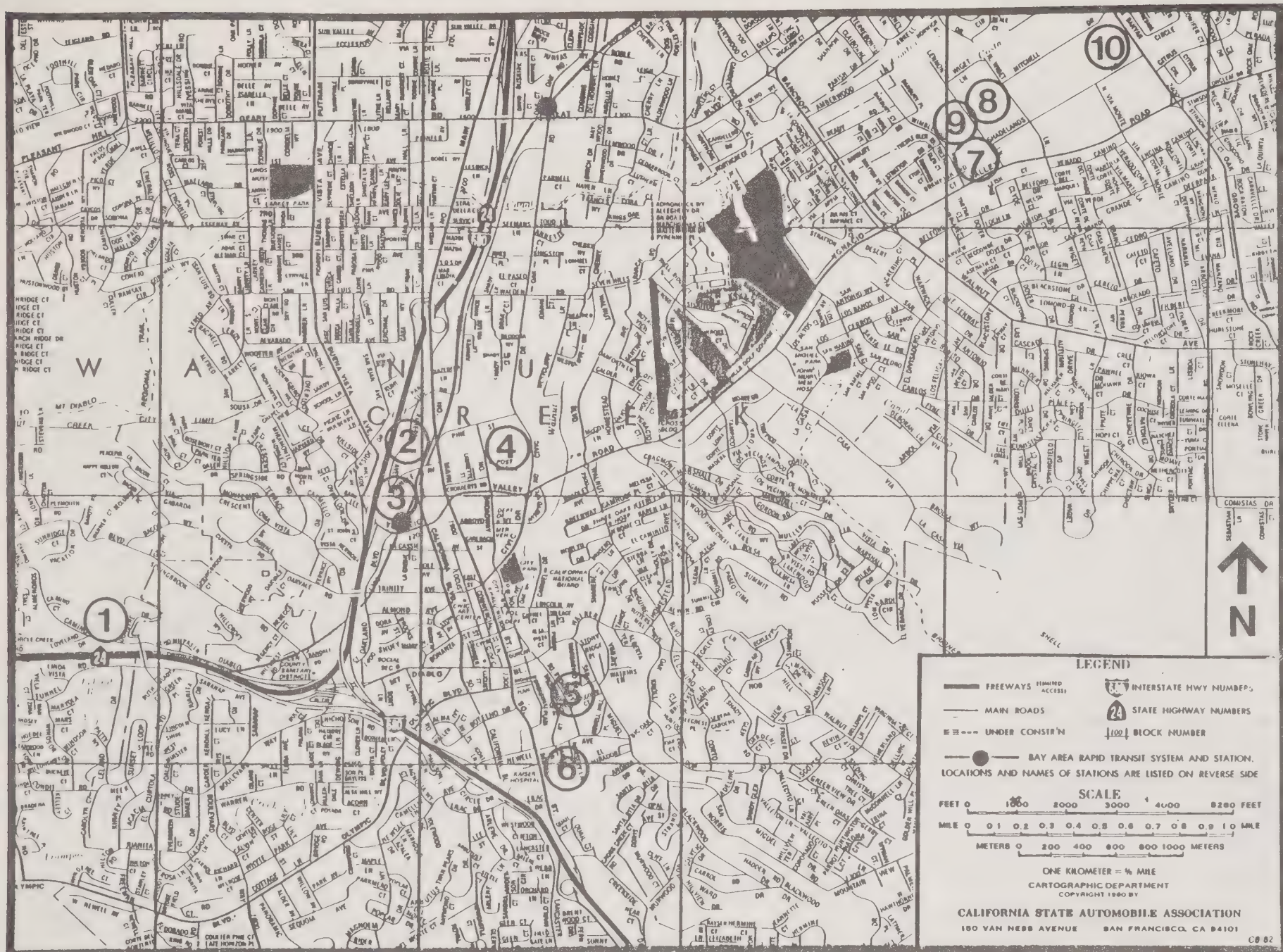
Map Location	Project	Current Lease Rate (per Square Foot)	Tenant Improve- ments Allowance ² (per Square Foot)	Parking Allotment (Spaces per Square Foot)	Major Tenants	Comments
8	Park Shadelands	\$1.60 (full service)	\$15	4/1,000	Bechtel, PG&E, Datsun, Standard Oil, Eids Nuclear	One entire building currently available for lease (22,700 square feet). Attractive buildings in well landscaped park environment. Park Shadelands includes 15,000 square feet industrial space.
9	Shadelands West I	\$1.80 (full service)	\$15	4/1,000	Nationwide Ins.	Now completing interior improvements and landscaping.
10	Interland Buildings	\$1.40 (full service)	\$12	4/1,000	Bechtel, Wells Fargo, Prudential, Hartford Ins., Safeway	Attractive office park with extensive water and landscaping.

N.A. means not available.

¹Sample of ten major office buildings of 40,000 square feet or more. Represents approximately 70 percent of total office space in Walnut Creek in major developments.²Or workletter equivalent.

Source: Selected brokers, developers, and Economics Research Associates

EXISTING MAJOR OFFICE PROJECTS IN WALNUT CREEK



Appendix Table A-3

SURVEY OF EXISTING MAJOR OFFICE PROJECTS¹ IN PLEASANT HILL

<u>Map Location</u>	<u>Project/Location</u>	<u>Developer</u>	<u>Year Built</u>	<u>Building Exterior</u>	<u>Number of Stories</u>	<u>Net Leasable Area (Square Feet)</u>	<u>Estimated Occupancy (Percent)</u>
1	Pleasant Hill Executive Park Taylor and Norse	Woodridge	1980	Redwood	2	95,000 (3 buildings)	91%
2	Ellinwood Executive Park Ellinwood Drive (off Contra Costa Blvd.)	Gerson Bakar & Associates	1981/1982	Wood and glass	3	84,000	40%
3	Buskirk/BART 2950 Buskirk (south of Las Juntas Way)	Taylor Associates	1980	Redwood & solar glass	3	62,000	100%

N.A. means not available.

¹Includes major office projects of 40,000 square feet or more.

Source: Selected brokers, developers, and Economics Research Associates

SURVEY OF EXISTING OFFICE PROJECTS¹ IN PLEASANT HILL
(Continued)

Map Location	Project	Current Lease Rate (per Square Foot)	Tenant Improve- ments Allowance ² (per Square Foot)	Parking Allotment (Spaces per Square Foot)	Major Tenants	Comments
1	Pleasant Hill Executive Park	\$1.40 (full service excluding extra utilities)	\$15	4/1,000	Fireman's Fund & John Hancock Ins. Companies	Garden office buildings on a 6.5-acre site. Extensive landscaping.
2	Ellinwood Executive Park	\$1.60 (full service)	\$.6	4/1,000	ADP & Discovery Toys	Two buildings in Phase I completed. Construction on third building with 43,000 square feet expected to begin in summer of 1983. Entire project will consist of 300,000 square feet of office space, 20,000 square feet of retail, 10,000 square foot restaurant, and 555 homes. Extensive land and waterscaping on 82- acre campus like setting.
3	Buskirk/BART	\$1.35 (triple net)	N.A.	4/1,000	Bank of America Regional Headquarters	Good freeway access (I- 680). Set away from other development.

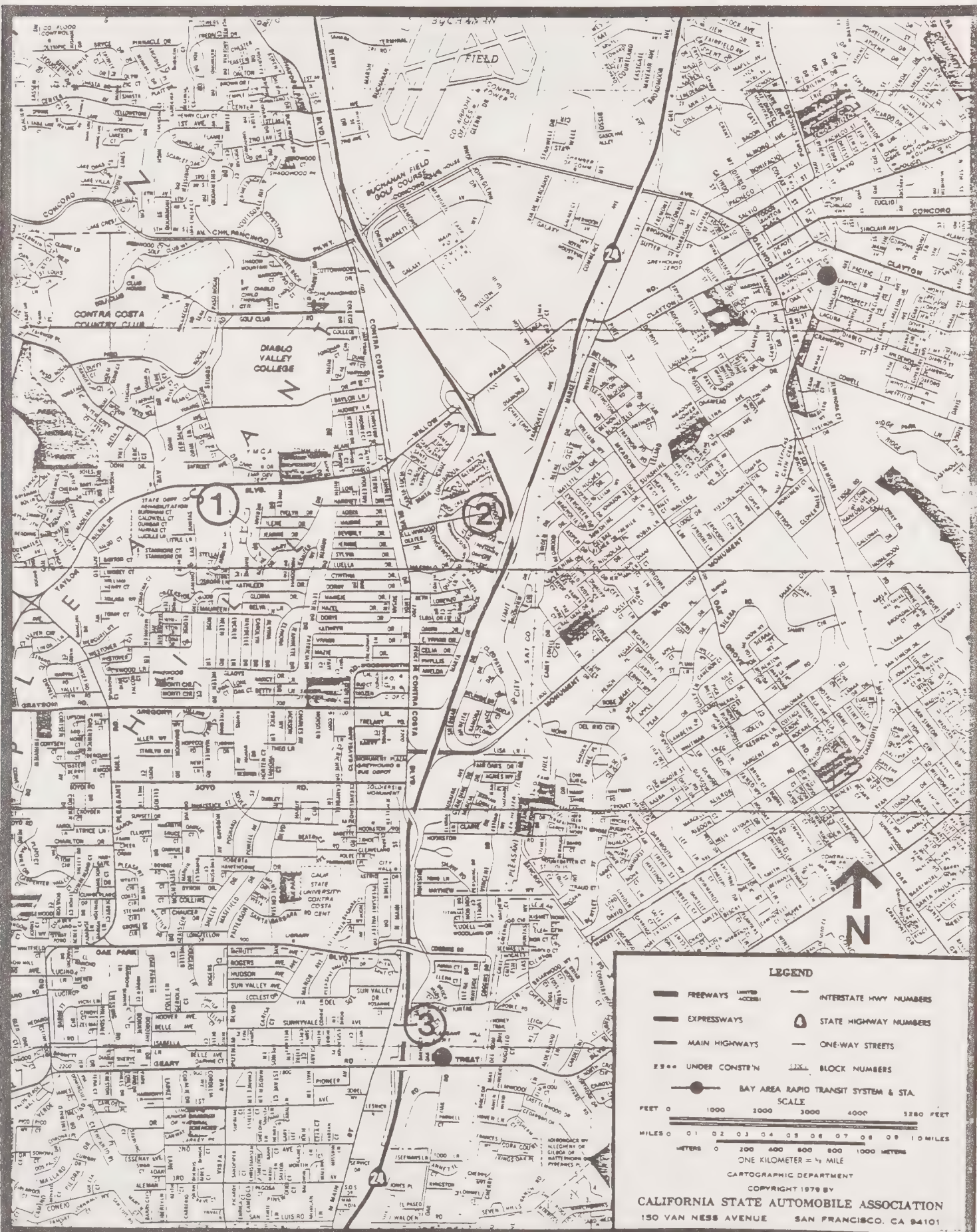
N.A. means not available.

¹Includes major office projects of 40,000 square feet or more.

²Or workletter equivalent.

Source: Selected brokers, developers, and Economics Research Associates

EXISTING MAJOR OFFICE PROJECTS IN PLEASANT HILL



Appendix Table B-1

SURVEY OF MAJOR OFFICE PROJECTS¹ UNDER CONSTRUCTION OR PROPOSED
FOR DEVELOPMENT IN CONCORD

Map Location	Project/Location	Developer	Building Exterior	Number of Stories	Net Leasable Area (Square Feet)	Estimated Lease Rates (per Square Foot)	Tenant Improvements Allowances ² (per Square Foot)
1	2150 Orion Way	Galaxy Associates/ Smith Company	Glass	4	159,000 (3 buildings)	\$1.50 - \$1.70 (+ 15% load factor)	\$15
2	Concord Airport Plaza Concord Avenue and John Glenn Drive (southeast corner)	Reynolds & Brown	Concrete & solar glass	6	350,000 (2 buildings)	\$1.85 (full service)	\$15
3	Enea Square Enea Circle and Willow Pass Road	Enea Development	Stucco	3	53,000 (1 building)	\$1.35 - \$1.50 (full service)	\$11 - \$12
4	One Corporate Center Diamond Way and Willow Pass Road (southwest corner)	Bedford Properties	Precast concrete	7	137,000	\$1.80 - \$2.00 (full service)	N.A.
5	Concord Gateway Willow Pass and Detroit (southeast corner)	A. Seeno Company	Glass & concrete	10	600,000 (2 buildings)	N.A.	N.A.
6	WCN Project Clayton/Sutter/Mira Vista	Wieting, Confer, Nance	Glass	8 & 9	200,000	N.A.	\$15
7	Pillon/Davey Tower Willow Pass & Galindo	Sunshine Development	Black glass	7	130,000	\$2.00	\$0
8	Salvio Pacheco Square Salvio btwn. Grant and Mt. Diablo	IRM Corporation	Stucco & wood	3	91,000	\$1.65 (full service)	\$15
9	Bank of America Galindo/Grant/Oak/ Concord Blvd.	Bank of America	Metal aluminum	6 to 14	1,000,000 (4 buildings)	--	--
10	One Concord Center Grant/Park/Clayton/ Colfax	Wirth & Company	Reflective glass & steel	7	728,000 (2 buildings)	N.A.	N.A.
11	Office Complex Galindo and Oak	Barber/Raiser	N.A.	5 - 12	500,000-600,000 (3 buildings)	N.A.	N.A.
12	Clayton Road and Kirker Pass Road	Broadmoor Homes	Wood	1 and 2	47,000 (gross)	N.A.	N.A.

N.A. means not available.

¹Includes major office projects of 40,000 square feet or more.²Or workletter equivalent.

Appendix Table B-1

SURVEY OF MAJOR OFFICE PROJECTS UNDER CONSTRUCTION OR PROPOSED IN CONCORD

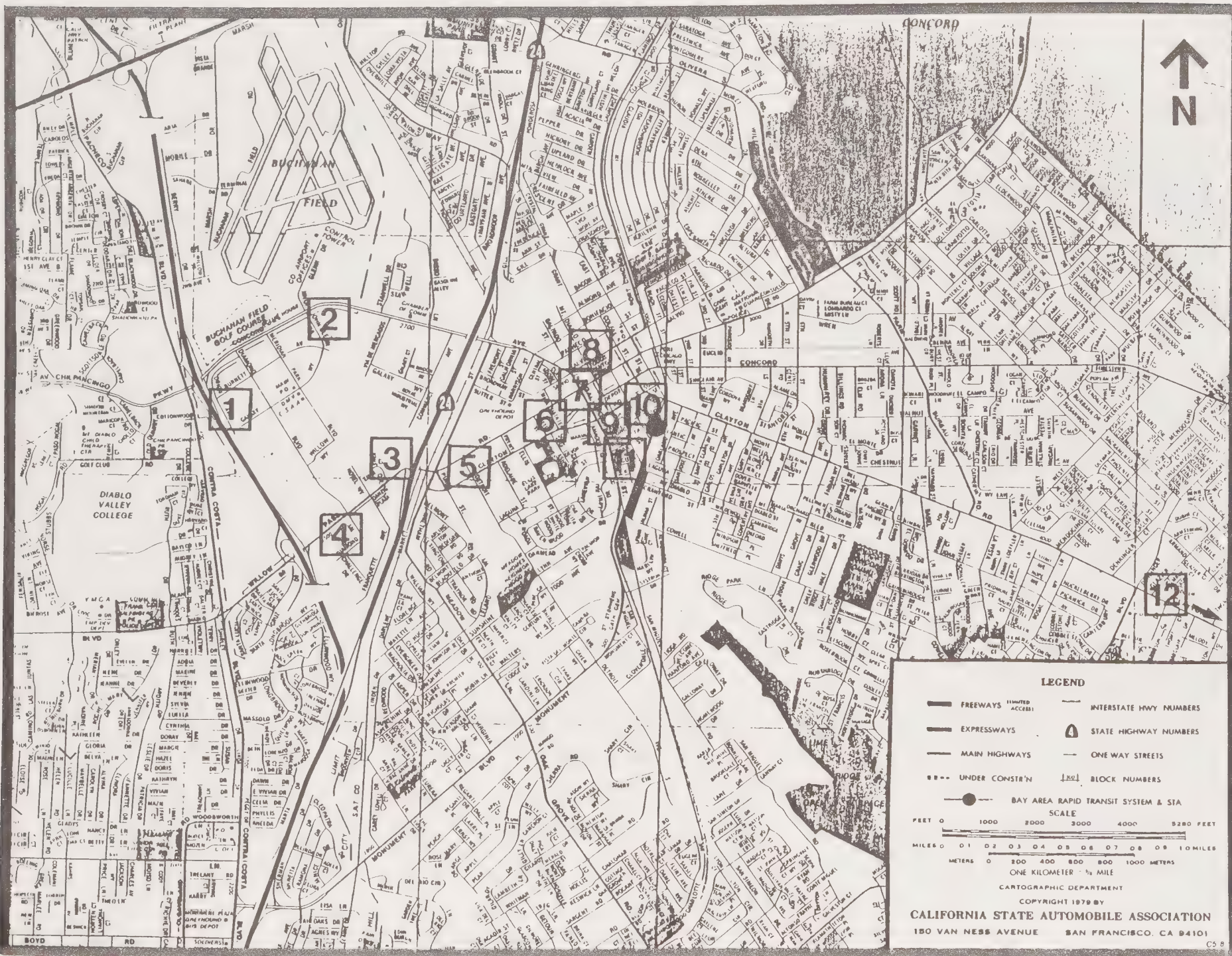
Map Location	Project	Parking Allotment (Spaces per 1,000 Square Feet)	Type of Office Space	Percent Preleased	Status of Project
1	2150 Orion Way	3.3/1,000	Executive	0%	Planning Commission has reviewed and accepted Master Plan. Currently working on design drawings for Building I (55,000 square feet). Earliest possible construction date for Building I is Spring of 1984. Buildings II and III cannot be developed until after 1985.
2	Concord Airport Plaza	3.5/1,000	Executive	0%	Under Construction. Phase I scheduled for completion by end of 1983. Also building two-story parking structures.
3	Enea Square	4/1,000	Professional	0%	First three phases completed and occupied. Phase IV of 53,000 square feet scheduled to be completed by 1985. Now grading site.
4	One Corporate Center	3.3/1,000	Executive	0%	Under construction. Project scheduled to be completed by May, 1984. Negotiations currently underway for potential tenant of entire building.
5	Concord Gateway	4/1,000	Executive and headquarters or computer operations	0%	Approved. Working on final construction drawings. Project construction pending preleasing to major tenant. Early 1984 earliest construction date.
6	WCN Project	4/1,000	Executive & professional	0%	According to broker, this project is temporarily on hold with development at least two to three years away.
7	Pillon/Davey/Tower	4/1,000	Executive	0%	Approved. This project is proposed for a 130,000 square foot seven-story office tower and a 100-unit nine-story residential tower to be built over two levels of retail totalling 80,000 square feet (net). In addition there will be three levels of underground parking. The office space will be first class, finished space with no tenant improvements allowance. The developer is currently seeking financing. Projected construction date is the end of 1983. Earliest office occupancies are scheduled for late 1985. Development of project is tentative.
8	Salvio Pacheco Square	Adjacent City Garage 500 cars	Mixed used	0%	Under construction. Scheduled for completion by fall of 1983. Includes 91,000 square feet office and 29,000 square feet of retail space. Retail space will be leased out at \$1.15 per square foot with \$10 tenant improvements allowance to \$1.25 per square foot with an \$18 tenant improvement allowance. (Triple net.)

Appendix Table B-1

SURVEY OF MAJOR OFFICE PROJECTS UNDER CONSTRUCTION OR PROPOSED IN CONCORD
(Continued)

<u>Map Location</u>	<u>Project</u>	<u>Parking Allotment (Spaces per 1,000 Square Feet)</u>	<u>Type of Office Space</u>	<u>Percent Preleased</u>	<u>Status of Project</u>
9	Bank of America	2.6/1,000	B of A electronic I banking services division. Corporate office space.	100%	Grading site. Plans to develop six block area. Phase will include a six-story operations building of 400,000 square feet and a 14-story tower with 300,000 square feet scheduled to be developed by end of 1986. Phase II will include a nine-story 196,000 square foot building and a five-story 104,000 square foot building scheduled for completion by 1992.
10	One Concord Center	2/1,000	Executive and corporate headquarters	0%	Approved. \$110 million project adjacent to the B of A computer center. Phase I will include 360,000 square feet. Phase II is proposed for 350,000 square feet with ground floor retail on Grant Street. Currently seeking financing. Developer expects to begin construction by early 1984 with completion tentatively scheduled for early 1985.
11	Barber/Raiser	3-3.5/1,000	Regional offices, Computer operations, Professional	0%	Earliest possible construction date is Spring of 1984 with mid-1985 completion date for first building.
12	Clayton Road & Kirker Pass Road	3.5/1,000	Smaller suburban office user	0%	Received Planning Commission approval. Plans calls for one office building of 54,000 square feet, a 6,000 square foot restaurant and 73 single-family patio homes to be developed by Broadmoor. In addition, Lincoln Properties is proposing to develop 140 rental/condos in conjunction with Broadmoor's development. The earliest construction date for this project is 1984 or 1985.

MAJOR OFFICE PROJECTS UNDER CONSTRUCTION OR PROPOSED FOR DEVELOPMENT IN CONCORD



Appendix Table B-2

SURVEY OF MAJOR OFFICE PROJECTS¹ UNDER CONSTRUCTION OR PROPOSED
FOR DEVELOPMENT IN WALNUT CREEK

Map Location	Project/Location	Developer	Building Exterior	Number of Stories	Net Leasable Area (Square Feet)	Estimated Lease Rates (per Square Foot)	Tenant Improvements Allowances (per Square Foot)
1	Park Place Executive Ct. 2850 Camino Diablo	Challey-Craig	N.A.	2	56,000	\$1.65 (full service)	N.A.
2	Olympic Blvd. Office Complex Olympic Blvd. at Newell	Tann Investment	N.A.	1 to 3	100,000 (20 buildings)	N.A.	N.A.
3	Riviera Court Riviera (eastside) near Parkside	Williamson	Stucco	3	103,000	\$2.00 - \$2.25 (gross)	N.A.
4	Tishman Office Center 2175-2185 North California Blvd.	Tishman West Management Corp.	Granite, concrete glass (alter- nating bands)	4 & 9	317,400 (2 buildings)	\$2.33 to \$2.67 (full service) \$5 expense stop	\$15.50
5	1600 Riviera Riviera at Parkside	Prometheus	Steel	3	125,000	\$2.35 (full service)	\$15
6	California Plaza No. California Blvd. at Short and Riviera	Cygna & Wang	Ceramic Tile	10	323,000	\$2.50 (full service)	\$15
7	North Main Center at Pringle (southwest corner)	Butler Kassis Investment	Glass composite wall panels tile or brick	10	173,000	N.A.	N.A.
8	500 Ygnacio Ygnacio Valley & North Main (northeast corner)	Hafen Management	Brick & glass	3	100,000	N.A.	N.A.
9	Grower's Square No. California & Civic Drive	Daon	Precast concrete	2-six story & 1-three story	160,000 (3 buildings)	\$2.25 (full service)	N.A.
10	Graham Office Complex Mt. Diablo & Bonanza	Graham	N.A.	6	110,000	N.A.	N.A.

N.A. means not available.

¹Includes major office projects of 40,000 square feet or more.

Appendix Table B-2

SURVEY OF MAJOR OFFICE PROJECTS¹ UNDER CONSTRUCTION OR PROPOSED
FOR DEVELOPMENT IN WALNUT CREEK
(Continued)

Map Location	Project/Location	Developer	Building Ext.	Number of Stories	Net Leasable Area (Square Feet)	Estimated Lease Rates (per Square Foot)	Tenant Improvements Allowances ² (per Square Foot)
11	1333 No. California at Mt. Diablo (northwest corner)	Prometheus	Glass	6	335,000 (2 buildings)	N.A.	N.A.
12	Town Center Mt. Diablo & Main St.	Campeau/Sedgwich	N.A.	4	300,000 (4 buildings)	\$2.00 (triple net)	N.A.
13	Alpine Square Bothelo & Alpine Road	Struxton Corp.	Limestone/tile	3	100,000 (gross)	\$2.00 (full service)	\$15
14	1600 So. Main Plaza (west of Quail Court)	J.B. Potts	Cedar	3	85,000 (2 buildings)	\$2.00 (full service)	\$16
15	Station West (Treat Blvd. and Oak Road - southwest corner)	N.A.	N.A.	5 - 7	160,000	N.A.	N.A.
16	Urban West Oak Rd. & Treat Blvd. (southeast corner)	Urban West	Concrete	5	450,000	N.A.	N.A.
17	1400 Treat Blvd. Treat and Maywood	Huntinggate Pacific	Brick	3	72,000	\$1.85-\$2.25 (full service)	\$18
18	Central Bank Headquarters Treat and Cherry	Central Bank	Brick	3	123,000	--	--
19	Shell Ridge Professional Park 108 La Casa Via at Montego and Ygnacio	La Casa Via Assoc.	Cedar	1-2 story 2-3 story	69,800 (3 buildings)	\$1.85 (full service)	\$15

N.A. means not available.

¹Includes major office projects of 40,000 square feet or more.

²Or workletter equivalent.

Appendix Table B-2

SURVEY OF MAJOR OFFICE PROJECTS¹ UNDER CONSTRUCTION OR PROPOSED
FOR DEVELOPMENT IN WALNUT CREEK
(Continued)

Map Location	Project/Location	Developer	Building Ext.	Number of Stories	Net Leasable Area (Square Feet)	Estimated Lease Rates (per Square Foot)	Tenant Improvements Allowances ² (per Square Foot)
20	Orchard Park Business Park 401 Lennon Lane (west side)	Berg and Berg	Brick and concrete	2	87,000	N.A.	N.A.
21	Park Centre Office Park Wiget and Mitchell (northeast corner)	Graham	Black glass and tile roof	2	114,500 (3 buildings)	N.A.	N.A.
22	Shadelands West II Lennon Lane (end of Lennon - westside)	Shadelands West Assoc.	Concrete and glass	2	200,000	\$1.75 (full service)	N.A.
23	Interland Executive Ctr. Mitchell & Shadelands	Interland Corp.	Brick	3	70,000	N.A.	N.A.
24	2700 Ygnacio Valley Bldg. Ygnacio and North Via Monte (northwest corner)	Jaymont Prop.	Concrete or steel frame	3	106,000 (gross)	\$1.85 (full service)	\$15
25	Lipscomb & Mueller Bldg. Ygnacio and Oak Grove (northeast corner)	Lipscomb and Mueller	Brick and solar star bronzed glass	2	42,000	\$1.95 (full service)	N.A.
26	Woodlands Office Park Ygnacio and Oak Grove (northeast corner)	MacKay and Shurtleff	Redwood	2	42,000	N.A.	N.A.

N.A. means not available.

¹Includes major office projects of 40,000 square feet or more.

²Or workletter equivalent.

Source: Selected brokers, developers, and Economics Research Associates

Appendix Table B-2

SURVEY OF MAJOR OFFICE PROJECTS UNDER CONSTRUCTION OR PROPOSED IN WALNUT CREEK
(Continued)

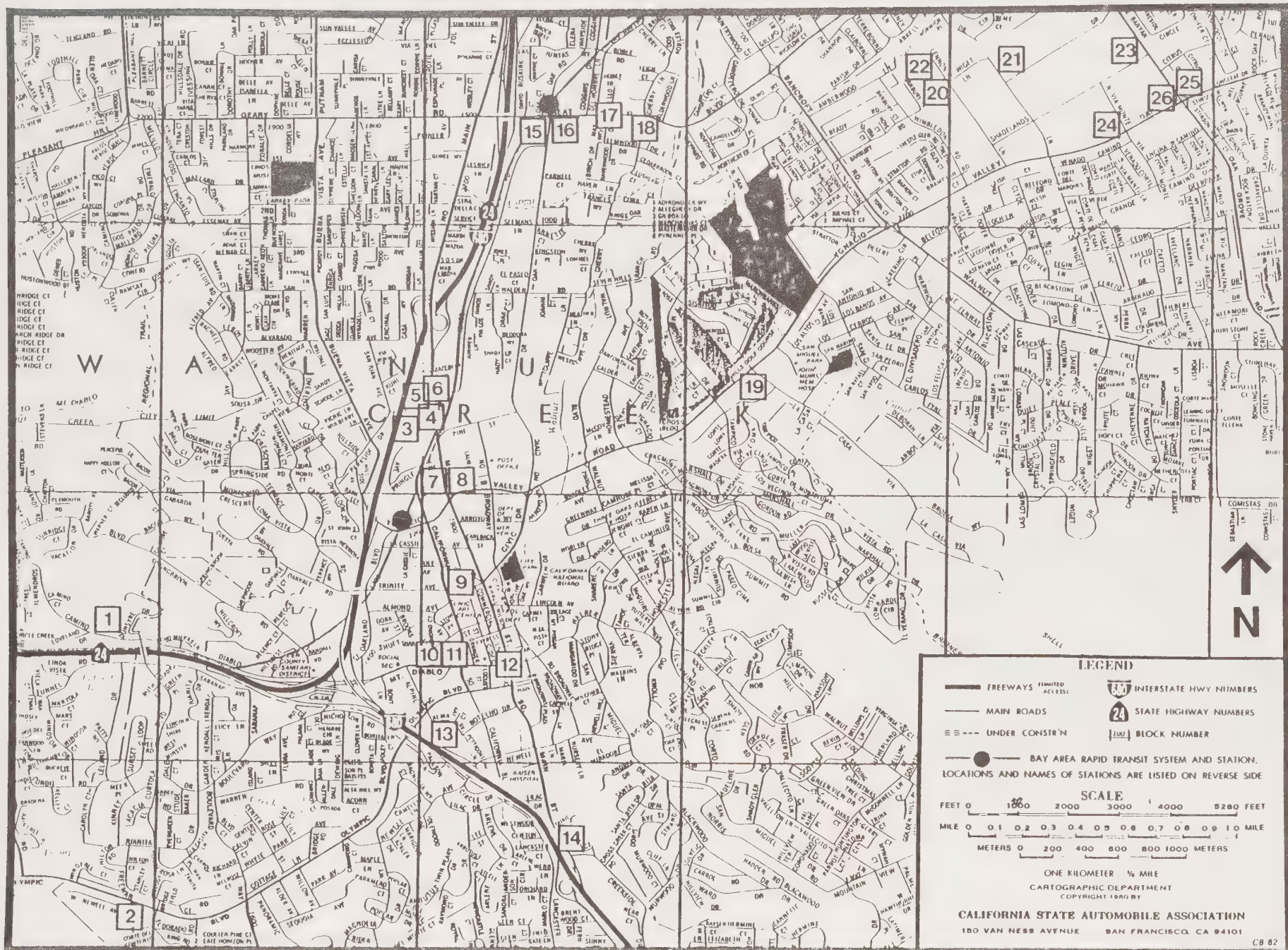
Map Location	Project	Parking Allotment (Spaces per 1,000 Square Feet)	Type of Office Space	Percent Preleased	Status of Project
1	Park Place Executive Center	5/1,000	Office condominiums	0%	Preliminary plans for office condominiums. Project on hold.
2	Olympic Blvd. Office Complex	N.A.	Office condominiums	0%	Project on hold.
3	Riviera Court	3/1,000	Pure professional	0%	Plan review stage. Hearings scheduled for July. Plans include area for 15 condominiums. Site and plans are offered for sale at \$2.8 million pending City approval.
4	Tishman Office Center	4/1,000	Executive offices regional and corporation headquarters	0%	Approved. Prestigious office space expected to be available for occupancy by September, 1984. Plans call for two-story mezzanine and retail development with office space above elevated plaza level. Parking - \$40 per month.
5	1600 Riviera	3/1,000	Pure professionals	0%	Under construction. Scheduled to be completed by June, 1984. Underground parking - \$40 per month.
6	California Plaza	3.3/1,000	Professional and executive headquarters	0%	Office/retail complex approved with partially below grade parking on two-acre site.
7	North Main Center	3/1,000	Professional	0%	Approved by design review commission. Preliminary plans include office development over two levels of retail. Currently occupied by car dealerships.
8	500 Ygnacio	N.A.	Professional	0%	Phase I with 53,000 square feet is completed and fully occupied. Phase II is still in planning stages. Earliest possible construction date is mid-1985.
9	Grower's Square	N.A.	Professional	0%	Approved for development. Includes 160,000 square feet office and 20,000 square feet of retail. Timing of development uncertain.
10	Graham Office Complex	4/1,000	Professional	0%	Development date not yet set.
11	1333 No. California	3.5/1,000	Executive headquarters	0%	In planning review with draft EIR for "findings for height". Earliest date for breaking ground would be July, 1984.
12	Town Center	3/1,000	Mixed use, office retail	0%	Multi-use project still in conceptual stages. Proposed self contained village includes four office buildings, 255-room hotel retail and 150,000 square foot Macy's anchor tenant. Tentative date for occupancy is late 1985 or early 1986.

Appendix Table B-2

SURVEY OF MAJOR OFFICE PROJECTS UNDER CONSTRUCTION OR PROPOSED IN WALNUT CREEK
(Continued)

Map Location	Project	Parking Allotment (Spaces per 1,000 Square Feet)	Type of Office Space	Percent Released	Status of Project
13	Alpine Square	3.7/1,000	Professional	0%	Plans approved. Expect to be under construction by, July, 1983 and completed by August, 1984.
14	1600 So. Main Plaza	4.0/1,000	Pure professional	18%	Under construction. First building completed and occupied. Second building scheduled for completion by July, 1983. Development includes a four-story glass aviary, private athletic club, and gourmet restaurant.
15	Station West	2.5/1,000	Professional	0%	Possible air rights structure. In preliminary planning stages.
16	Urban West	3.2/1,000	Executive and corporate headquarters	0%	Still in planning stages. Need general plan amendment to allow mid-rise building. Plans include restaurant and retail space. Located immediately south of BART station.
17	1400 Treat Blvd.	4/1,000	Pure professional	0%	Project approved. Expect to begin construction by fall, 1983.
18	Central Bank Headquarters	2.6/1,000	Bank operations	100%	Grading site. Future location of Central Bank Headquarters Completion scheduled for mid-1984.
19	Shell Ridge Professional Park	4/1,000	Medical	15%	Approved through architectural review and special use permit. Building 1 is 60 percent released.
20	Orchard Park Business Center	4/1,000	Administrative	0%	Under construction. Scheduled to be completed by September, 1983.
21	Park Centre Office Park	4.2/1,000	Professional and Executive headquarters	0%	Under construction. Scheduled to be completed by July, 1983.
22	Shadelands West II	4/1,000	Professional	0%	Under construction. Scheduled for completion by early 1984.
23	Interland Executive Center	4/1,000	Executive and professional	0%	Building No. 12 approved for development since early 1982. No construction drawings yet.
24	2700 Ygnacio Valley	4.8/1,000	Professional	0%	Garden office complex under construction on 5.9-acre site. Scheduled for completion by March, 1984.
25	Lipscomb and Mueller Bldg.	4/1,000	Professional	0%	Approved. Expect construction to begin by July, 1983.
26	Woodlands Office Park	5/1,000	Professional	0%	Approved. No building permit yet. Development uncertain. Looking for major tenant of 30,000 square feet or more.

MAJOR OFFICE PROJECTS UNDER CONSTRUCTION OR PROPOSED FOR DEVELOPMENT IN WALNUT CREEK



Appendix Table B-3

SURVEY OF MAJOR OFFICE PROJECTS¹ UNDER CONSTRUCTION OR PROPOSED
FOR DEVELOPMENT IN PLEASANT HILL

<u>Map Location</u>	<u>Project/Location</u>	<u>Developer</u>	<u>Building Ext.</u>	<u>Number of Stories</u>	<u>Net Leaseable Area (Square Feet)</u>	<u>Estimated Lease Rates (per Square Foot)</u>	<u>Tenant Improvements Allowances² (per Square Foot)</u>
1	Burke Properties Monument and Contra Costa Blvd.	Delta Development	N.A.	6	110,000	N.A.	N.A.
2	Viking Terrace Norse and Taylor	Struxton	N.A.	2-3	125,000	N.A.	N.A.
3	Ellinwood Executive Park Ellinwood Drive (off Contra Costa Blvd.)	Gerson Bakar and Assoc.	Wood and glass	3	213,000	\$1.70 to 2.00 (full service)	\$16
4	Hookston Square 3480 Buskirk at Hookston	Duffel	Brick and solar bronzed glass	3	210,000	\$1.60 to \$2.00 (full service)	\$18

N.A. means not available.

¹Includes major office projects of 40,000 square feet or more.

²Or workletter equivalent.

Source: Selected brokers, developers, and Economics Research Associates

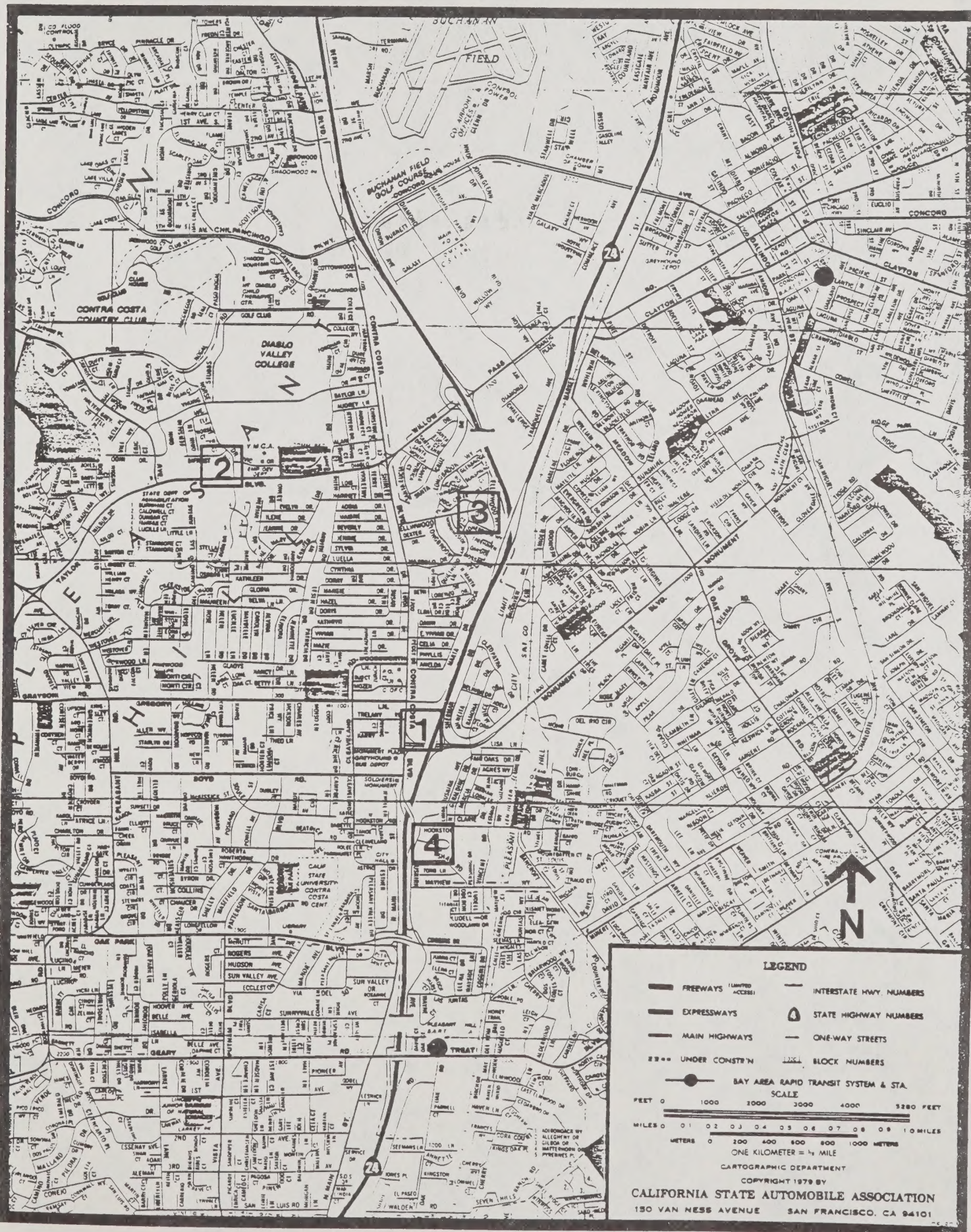
Appendix Table B-3

SURVEY OF MAJOR OFFICE PROJECTS UNDER CONSTRUCTION OR PROPOSED IN PLEASANT HILL
(Continued)

<u>Map Location</u>	<u>Project</u>	<u>Parking Allotment (Spaces per 1,000 Square Feet)</u>	<u>Type of Office Space</u>	<u>Percent Preleased</u>	<u>Status of Project</u>
1	Burke Properties	4/1,000	Pure professional	0%	Project approved in Pleasant Hill Redevelopment Area. Currently studying feasibility of project to determine timing of development.
2	Viking Terrace	4/1,000	Pure professional	0%	In preliminary planning stages. Currently working on design review.
3	Ellinwood Executive Park	4/1,000	Pure professional	0%	Approximately 85,000 square feet completed and ready for occupancy. Phase II with 87,000 square feet scheduled to begin in early 1984. Phase III with 126,000 square feet scheduled to begin in 1985.
4	Hookston Square	4/1,000	Regional and professional	3%	Under construction. Phase I with 100,000 square feet scheduled to be completed and ready for occupancy by August, 1983. Phase II with 110,000 square feet scheduled for completion by November, 1983.

Source: Selected brokers, developers, and Economics Research Associates

MAJOR OFFICE PROJECTS UNDER CONSTRUCTION OR PROPOSED FOR DEVELOPMENT IN PLEASANT HILL



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